

**COMPREHENSIVE ANNUAL
FINANCIAL REPORT
BRADLEY COUNTY, TENNESSEE**



FOR THE YEAR ENDED JUNE 30, 2010



COMPREHENSIVE ANNUAL FINANCIAL REPORT
BRADLEY COUNTY, TENNESSEE
FOR THE YEAR ENDED JUNE 30, 2010

DEPARTMENT OF AUDIT
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D. GARY DAVIS
County Mayor
Bradley County, Tennessee

This financial report is available at www.tn.gov/comptroller

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Audit Highlights

Comprehensive Annual Financial Report
Bradley County, Tennessee
For the Year Ended June 30, 2010

Scope

We have audited the basic financial statements of Bradley County as of and for the year ended June 30, 2010.

Results

Our report on Bradley County's financial statements is unqualified.

Our audit resulted in six findings and recommendations, which we have reviewed with Bradley County management. Detailed findings, recommendations, and management's responses are included in the Single Audit section of this report.

Findings and Best Practice

The following are summaries of the audit findings and best practice:

OFFICE OF COUNTY MAYOR

- ◆ A capital outlay note was not issued in compliance with state statutes.
- ◆ The software used by the Probation Office did not have adequate application controls.

OFFICE OF DIRECTOR OF SCHOOLS

- ◆ American Recovery and Reinvestment Act Grant funds were used to purchase an oven based on an expired bid.

OFFICE OF SHERIFF

- ◆ The office did not deposit some funds within three days of collection.
 - ◆ Arrestee files did not include fingerprint acknowledgments from Tennessee Bureau of Investigation.
-

OTHER FINDING

- ◆ Duties were not segregated adequately at the Ambulance Service, Probation Service, School Food Service Department, and in the Offices of Road Superintendent, Clerk and Master, Register, and Sheriff.
-

BEST PRACTICE

Bradley County does not have a central system of accounting, budgeting, and purchasing. The Division of County Audit strongly believes that a central system of accounting, budgeting, and purchasing is a best practice that should be adopted by the governing body as a means of significantly improving accountability and the quality of services provided to the citizens of Bradley County.

INTRODUCTORY SECTION

**Office of the
Bradley County Mayor
D. Gary Davis**

**Phone 423-728-7141
Facsimile 423-476-0696**

**P. O. Box 1167
Cleveland, TN 37364**

October 28, 2010

To the Members of the County Commission and
the Citizens of Bradley County, Tennessee

To obtain a Certificate of Achievement for Excellence in Financial Reporting, the Government Finance Officers Association (GFOA) requires that all general-purpose local governments publish, within six months of the close of each fiscal year, a complete set of financial statements presented in conformity with generally accepted accounting principles (GAAP) and audited in accordance with generally accepted auditing standards. Pursuant to that requirement, we hereby issue the comprehensive annual financial report of Bradley County, Tennessee, for the fiscal year ended June 30, 2010.

This report consists of management's representations concerning the finances of Bradley County. Consequently, management assumes full responsibility for the completeness and reliability of all of the information presented in this report. To provide a reasonable basis for making these representations, the management of Bradley County has established a comprehensive internal control framework that is designed both to protect the government's assets from loss, theft, or misuse and to compile sufficient reliable information for the preparation of Bradley County's financial statements in conformity with GAAP. Because the cost of internal controls should not outweigh their benefits, Bradley County's comprehensive framework of internal controls has been designed to provide reasonable rather than absolute assurance that the financial statements will be free from material misstatement. As management, we assert that, to the best of our knowledge and belief, this financial report is complete and reliable in all material respects.

Bradley County's financial statements have been audited by the State of Tennessee, Comptroller of the Treasury, Department of Audit. The goal of the independent audit was to provide reasonable assurance that the financial statements of Bradley County for the fiscal year ended June 30, 2010, are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. The independent auditor concluded, based upon the audit, that there was a reasonable basis for rendering an unqualified opinion that Bradley County's financial statements for the fiscal year ended June 30, 2010, are fairly presented in conformity with GAAP. The independent auditor's report is presented as the first component of the financial section of this report.

The independent audit of the financial statements of Bradley County was part of a broader, federally mandated “Single Audit” designed to meet the special needs of federal grantor agencies. The standards governing Single Audit engagements require the independent auditor to report not only on the fair presentation of the financial statements, but also on the audited government’s internal controls and compliance with legal requirements, with special emphasis on internal controls and legal requirements involving the administration of federal awards. These reports are available in the Single Audit section of this report.

GAAP requires that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of Management’s Discussion and Analysis (MD&A). This letter of transmittal is designed to complement MD&A and should be read in conjunction with it. Bradley County’s MD&A can be found immediately following the report of the independent auditors.

PROFILE OF THE GOVERNMENT

Bradley County, incorporated in 1836, is located in the southeast portion of the State of Tennessee. The county lies in a valley between the Cumberland and Great Smoky Mountains and has an approximate land area of 216,230 acres or 338 square miles and serves a population of approximately 97,000. Bradley County is empowered to levy a property tax on both real and personal properties located within its boundaries.

Bradley County’s form of government is one with a popularly elected county mayor who is the administrative head of the county and a popularly elected board of county commissioners, which is the legislative branch of the county. Bradley County’s legislative body is composed of 14 members with two members being elected from each of the county’s seven districts. The county legislative body assembled in session is authorized to act for the county, including election of officials or confirmation of appointees, fixing salaries, and appropriating money and any other business coming before the body. All funds to be used in the operation of the county must be appropriated for that use by the county legislative body, which can appropriate money only for expenditures sanctioned by state law. It is the duty of the county legislative body to adopt a budget and to appropriate funds for the ensuing fiscal year for all county departments and agencies.

Bradley County provides a full range of services, including police and fire protection; schools; the construction and maintenance of highways, streets, and other infrastructure; and recreational activities and cultural events.

FACTORS AFFECTING FINANCIAL CONDITION

The information presented in the financial statements is perhaps best understood when it is considered from the broader perspective of the specific environment within which Bradley County operates.

Local economy. Bradley County is a growing area of Tennessee despite the economic downturn, which has affected many parts of our country. Business as well as individuals recognize the tremendous value the county enjoys in its quality of life as demonstrated in our strong position financially, and our future is bright due to the sound management practices that have enabled the county to maintain solid fund balances and reserves. Bradley County is known for its productive agriculture and for its stable diversified

industry. Approximately 80 percent of the county's land area is devoted to farming, with income derived primarily from dairy, cotton raising, poultry, tobacco, and various fruits and vegetables. The county has three industrial parks. Northeast Industrial Park is fully developed, and Cleveland-Bradley County Industrial Park has approximately 80 of its total 228 acres remaining for development. The Hiwassee River Industrial Park has approximately 67 of its total 121 acres available for development. There are approximately 147 industrial concerns in the county. Major industries with headquarters or divisions located within the government's boundaries or in close proximity include household cooking equipment, newspaper and pulp plant, distribution centers, alkaline batteries, hosiery, candy, cakes, cookies, dairy products, photo finishing, and clothing manufacturing.

A diverse manufacturing and industrial base adds to the relative stability of the employment rate. Bradley County has an employed labor force of approximately 47,000. There are many exciting projects underway for the county. Some of which are as follows:

- Whirlpool Corp., one of Bradley County's largest tax payers and employers with approximately 1,500 employees. We have recently reached an agreement with Whirlpool Corp. to build a new 1.4 million square foot facility. This will allow Bradley County to retain the current 1,500 jobs, while adding an additional 130 positions.
- Volkswagen has begun its commitment to invest up to \$1 billion for a manufacturing plant in nearby Hamilton County. Bradley County, as well as other counties in the area, will benefit from the approximately 2,000 jobs created by direct employment at the Volkswagen facility, as well as the estimated additional 9,500 jobs that will be created in the region through construction and supplier activity.
- Wacker Chemie AG, a Munich, Germany-based company, plans to construct a new facility in Bradley County with an estimated capital investment of \$1 billion and initial employment of approximately 500 highly skilled workers. The new facility will produce hyper pure polycrystalline silicon, a key component in photovoltaic for solar energy and semiconductors for the electronics industry.
- The Industrial Development Board continues to recruit new industries as well as continuing to promote job growth within existing industries.

Several major tourist attractions are located in the county: Red Clay State Historical Area, primitive Indian settlements, Church of God of Prophecy World Headquarters, and the Church of God general offices, which house one of the largest mosaic murals in the southern United States. The Cherokee National Forest and Ocoee River whitewater rafting facilities are located within a few minutes drive.

FINANCIAL POLICIES

Accounting system and internal control. The county's accounting system is organized on a "fund" basis. Each fund is a distinct self-balancing accounting entity. The county's day-to-day accounting records are maintained on a cash basis. For financial reporting purposes, the accounting records are converted to the modified and full accrual basis for all applicable funds. On the modified accrual basis, revenues are recognized when measurable and available, and expenditures are recognized when goods or services are received. On the

accrual basis, revenues are recognized when earned; expenses are recognized when incurred.

In developing the county's accounting system, much consideration was given to the adequacy of internal accounting controls. Internal accounting controls are designed to provide reasonable but not absolute assurance regarding (1) the safeguarding of assets against loss from unauthorized use or disposition and (2) the reliability of financial records for preparing financial statements and maintaining accountability for assets. The concept of reasonable assurance recognizes that (1) the cost of control should not exceed the benefits likely to be derived and (2) the valuation of costs and benefits requires estimates and judgments by management.

Budget control policy. The annual budget serves as the foundation for Bradley County's financial planning and control. All departments of the county are required to submit requests for appropriation to the county mayor on or before the third Wednesday in April of each year. The county mayor then presents the budget requests to the full County Commission for review prior to the fourth Monday in April. The county mayor uses these requests as the starting point for developing a proposed budget. The Finance Committee is required to hold public hearings on the budget requests. The County Commission adopts a final budget by late June or early July each year. The appropriated budget is prepared by fund, function (e.g., public safety), and department (e.g., police). Transfers of appropriations require special approval of the County Commission. Budget-to-actual comparisons are provided in this report for each individual governmental fund for which an appropriated annual budget has been adopted. For the General and Highway/Public Works funds, these comparisons are presented as required supplementary information. For other governmental funds with appropriated annual budgets, this comparison is present in the combining and individual fund financial statements and schedules section of this report.

Reserve fund policy. It is the objective of the County Commission to maintain a managed budgeted reserve in the various operating funds at a level sufficient for temporary financing of unforeseen emergency needs and to permit orderly adjustment to changes resulting from termination of revenue sources through actions of other governmental bodies. Sufficient levels of reserves can ensure continued orderly operations and tax structure stability. The percentage is calculated by taking undesignated fund balance or working capital as a percent of expenditures or operating expenses and transfers to other funds. These reserves are reviewed annually by the county mayor, director of finance, School Board, and road superintendent.

Revenue policy. The county will charge fees for services where such an approach is permissible by state and federal law and where a group of beneficiaries who can pay such fees is identifiable. New and expanded unrestricted revenue sources should be applied first to support existing programs prior to funding new programs. The county will pursue federal, state, and private grants but will strictly limit financial support of these programs to avoid commitments that continue beyond available funding. The county will continuously seek new revenues and pursue a diverse revenue base to limit the dependence on one or only a few revenue sources. This revenue diversity will shelter the county from short-time fluctuations in any one revenue source.

CAPITAL IMPROVEMENT AND LONG-TERM PLANNING

The purpose of the capital improvements plan is to systematically plan, schedule, and finance capital projects to ensure cost-effectiveness as well as conformance with established policies. Proposed capital projects will be reviewed regarding accurate costing and overall consistency with the county's goals and objectives. Financing sources will then be identified for the highest ranking projects.

Bradley County has several long-term goals. Some of those include:

- Continuing to replace some of the older bridges in the county through the Road Department bridge program
- Continuing better working relationships with city government
- Reducing debt for the county
- Increasing per-pupil expenditures and/or addressing school needs for both buildings and programs
- Developing a five-year plan for schools, other agencies, and county funds
- Continuing to improve efficiency in county departments
- Recruiting businesses
- Extending water lines in the rural areas of the county

AWARDS AND ACKNOWLEDGMENTS

The Government Finance Officers Association (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to Bradley County for its comprehensive annual financial report (CAFR) for the fiscal year ended June 30, 2009. This is the fifth year that Bradley County has received this prestigious award.

The financial information is designed to provide a general overview of the county's finances for all those with an interest in the government's finances. The person primarily responsible for preparing this document is Lynn Burns, Accounting and Budgeting Director for Bradley County. Especially important is to recognize the people of the Department of Accounts and Budgets and Human Resources who helped make this report possible: Rena' Samples, Sharon Sandidge, and Renee' Linton. Each contributed to the many daily efforts required to operate our office. For questions concerning any of the information provided, please contact the Accounting and Budgeting Office at 155 Broad Street, Cleveland, Tennessee 37311.

Respectfully submitted,



Lynn Burns
Accounting and Budgeting Director



D. Gary Davis
County Mayor

Certificate of Achievement for Excellence in Financial Reporting

Presented to

Bradley County
Tennessee

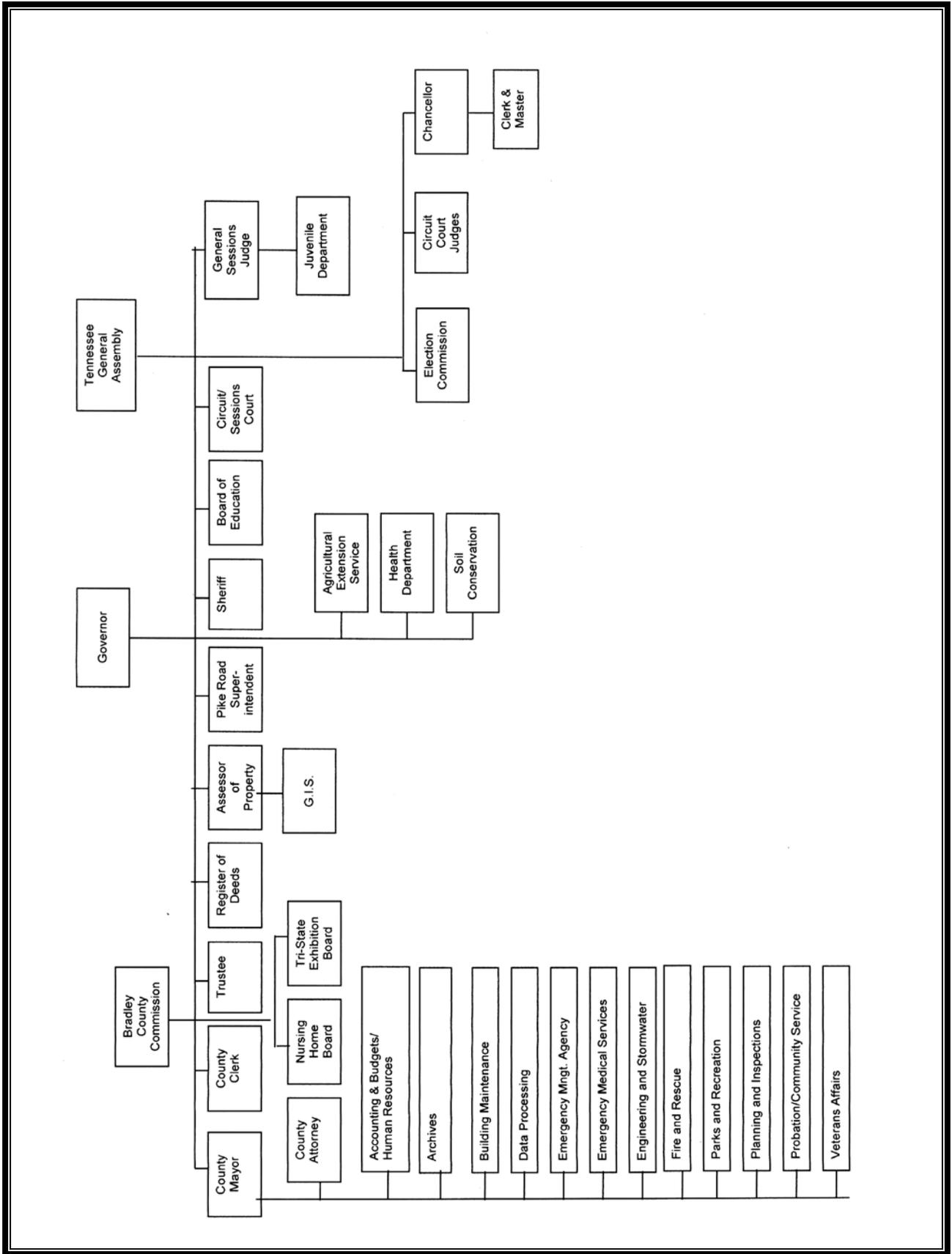
For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended
June 30, 2009

A Certificate of Achievement for Excellence in Financial Reporting is presented by the Government Finance Officers Association of the United States and Canada to government units and public employee retirement systems whose comprehensive annual financial reports (CAFRs) achieve the highest standards in government accounting and financial reporting



President

Executive Director



Bradley County Officials
June 30, 2010

Officials

County Mayor	D. Gary Davis
Road Superintendent	Tom Collins
Director of Schools	Johnny McDaniel
Trustee	Mike Smith
Assessor of Property	Stanley Thompson
County Clerk	Donna Alley Simpson
Circuit and General Sessions Courts Clerk	Gayla Miller
Clerk and Master	Carl Shrewsbury
Register	Raymond Swafford
Sheriff	Tim Gobble
Accounting and Budgeting Director	Lynn Burns
Agricultural Extension Director	Kim Frady
Ambulance Service Director	Danny Lawson
County Attorney	Joseph Byrd
Emergency Management	Troy Spence
Engineering, Planning and Building Inspection	Sandra Knight
Fire Chief	Dewey Woody
GIS	Wayne Owenby
Health Department	Eloise Waters
Human Resources Administrator	Rena Samples
Information Systems	Michael Sullivan
Juvenile Services	Terry Gallaher
Parks and Recreation Director	Paul Wyrick
Probation Services/Courts Community Service	Rich Kienlen
Veteran Affairs	Larry McDaris

Board of County Commissioners

District 1	Ben Atchley
District 1	Ed Elkins
District 2	Louie Alford, Chairman
District 2	Connie Wilson
District 3	Brian Smith
District 3	Lisa Stanbery
District 4	Jim Smith
District 4	Howard Thompson
District 5	Bill Ledford
District 5	Jeff Yarber

Board of County Commissioners (Cont.)

District 6
District 6
District 7
District 7

Mel Griffith
Willodyne Smith
Mark Hall
Michael Plumley

Audit Committee

District 1
District 2
District 3
District 4
District 5
District 6
District 7

Daniel Peterson
Roger Fuller
Clint Taylor
Troy Weathers
Terry McGuire
Curt Duncan
Alvin Word, Chairman

Board of Education

David Kelley, Chairman
Richard Baker
Christy Critchfield
Mark Grissom

Terry McGuire
Charlie Rose
Troy Weathers

FINANCIAL SECTION



**STATE OF TENNESSEE
COMPTROLLER OF THE TREASURY
DEPARTMENT OF AUDIT
DIVISION OF COUNTY AUDIT
SUITE 1500
JAMES K. POLK STATE OFFICE BUILDING
NASHVILLE, TENNESSEE 37243-1402
PHONE (615) 401-7841**

INDEPENDENT AUDITOR'S REPORT

October 28, 2010

Bradley County Mayor and
Board of County Commissioners
Bradley County, Tennessee

To the County Mayor and Board of County Commissioners:

We have audited the accompanying financial statements of the governmental activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Bradley County, Tennessee, as of and for the year ended June 30, 2010, which collectively comprise Bradley County's basic financial statements as listed in the table of contents. These financial statements are the responsibility of Bradley County's management. Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of the discretely presented Bradley Healthcare and Rehabilitation Center, which represent six percent and 12 percent, respectively, of the assets and revenues of the aggregate discretely presented component units as of June 30, 2010, and for the year then ended. Those financial statements were audited by other auditors whose report thereon has been furnished to us, and our opinion, insofar as it relates to the amounts included for the Bradley Healthcare and Rehabilitation Center, is based on the report of the other auditors.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the auditing standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit and the report of other auditors provide a reasonable basis for our opinions.

In our opinion, based on our audit and the report of other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Bradley County, Tennessee, as of June 30, 2010, and the respective changes in financial position, where applicable, thereof for the year then ended, in conformity with accounting principles generally accepted in the United States of America.

In accordance with Government Auditing Standards, we have also issued our report dated October 28, 2010, on our consideration of Bradley County's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards and should be considered in assessing the results of our audit.

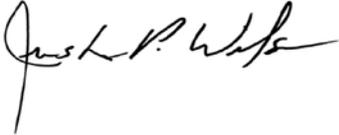
As described in Note V.B., Bradley County has adopted the provisions of Governmental Accounting Standards Board Statement No. 51, Accounting and Financial Reporting for Intangible Assets; and Statement No. 53, Accounting and Financial Reporting for Derivative Instruments, which became effective for the year ended June 30, 2010.

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison, pension, and other postemployment benefits information on pages 23 through 33 and 96 through 104 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Bradley County's basic financial statements. The introductory section, combining and individual nonmajor fund financial statements, budgetary comparison schedules of nonmajor governmental funds and the General Debt Service Fund, combining and individual fund financial statements of the Bradley County School Department (a discretely presented component unit), miscellaneous schedules, and statistical tables are presented for purposes of additional analysis and are not a required part of the basic financial statements. The combining and individual nonmajor fund financial statements, budgetary comparison schedules of nonmajor governmental funds and the General Debt Service Fund, combining and individual fund financial statements of the

Bradley County School Department (a discretely presented component unit), and the miscellaneous schedules have been subjected to the auditing procedures applied by us in the audit of the basic financial statements and, in our opinion, based on our audit, are fairly stated in all material respects in relation to the basic financial statements taken as a whole. The introductory section and statistical tables have not been subjected to the auditing procedures applied by us in the audit of the basic financial statements and, accordingly, we express no opinion on them.

Very truly yours,

A handwritten signature in black ink, appearing to read "Justin P. Wilson". The signature is fluid and cursive, with a prominent vertical stroke at the end.

Justin P. Wilson
Comptroller of the Treasury

JPW/yu

Management's Discussion and Analysis

As management of Bradley County, we offer readers of the Bradley County financial statements this narrative overview and analysis of the financial activities of the county for the fiscal year ended June 30, 2010. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal.

Financial Highlights

- The assets of Bradley County's Primary Governmental Activities exceeded its liabilities at the close of the most recent fiscal year by \$21,031,322 (net assets).
- As of the close of the current fiscal year, Bradley County's governmental funds reported combined ending fund balances of \$48,830,086. Approximately 60 percent of this amount (\$29,355,917 - unreserved fund balance) is available for spending at the government's discretion - subject to fund restrictions.
- At the end of the current fiscal year, unreserved fund balance for the General Fund was \$1,090,398 or 3.4 percent of total General Fund expenditures while total fund balance of \$3,661,891 represents 11 percent of that same amount. The reserve policy of the county requires a minimum fund balance of at least ten percent, which is within the boundaries of our policy.
- Bradley County's total long-term debt increased by \$15,366,459 during the current fiscal year. This is primarily a result of the county borrowing \$17,550,000 for schools less the scheduled debt reduction payments.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to Bradley County's basic financial statements. The county's basic financial statements comprise three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

Government-wide financial statements. The government-wide financial statements are designed to provide readers with a broad overview of Bradley County's finances, in a manner similar to a private-sector business.

The Statement of Net Assets presents information on all of Bradley County's assets and liabilities, with the difference between the two reported as net assets. Over time, increases or decreases in net assets may serve as a useful indicator of whether the financial position of the county is improving or deteriorating.

The Statement of Activities presents information showing the changes in the government's net assets during the most recent fiscal year. All changes in net assets are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave).

Both of the government-wide financial statements distinguish functions of the county that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). The governmental activities of the county include general government, public safety, highways and streets, sanitation, economic development, and culture and recreation. The county has no business-type activities to report.

The government-wide financial statements include not only Bradley County itself (known as the primary government), but also a legally separate school district and a nursing home for which Bradley County is financially accountable. Financial information for these component units is reported separately from the financial information presented for the primary government itself.

Fund financial statements. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. Bradley County, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of Bradley County can be divided into three fund categories: governmental, proprietary, and fiduciary.

Governmental funds. Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

Bradley County maintains a multitude of individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the General, Highway/Public Works, General Debt Service, Education Capital Projects, and the Endowment funds, all of which are considered to be major funds. Data from the other governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these nonmajor governmental funds is provided in the form of combining statements elsewhere in this report.

Bradley County adopts an annual appropriated budget for its General Fund. A budgetary comparison statement has been provided for the General Fund to demonstrate compliance with this budget.

Proprietary funds. Bradley County and the Bradley County School Department do not have any proprietary funds. The discretely presented Bradley Healthcare and Rehabilitation Center uses an enterprise fund. Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail.

Fiduciary funds. Fiduciary funds are used to account for revenues held for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support Bradley County's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds (economic resources measurement) except agency funds, which have no measurement focus.

Government-wide Financial Analysis

As noted earlier, net assets may serve over time as a useful indicator of a government's financial position. In the case of Bradley County, assets exceeded liabilities by \$21,031,322 at the close of the most recent fiscal year.

The Constitution for the State of Tennessee only allows the local legislative body authorization to issue debt. Therefore, whenever the Bradley County Board of Education requires additional money to fund school construction and equipment, the related debt must be issued by Bradley County Government.

As of June 30, 2010, Bradley County had outstanding debt totaling \$65,856,331 for capital purposes of education (\$44,830,937 for county schools and \$21,025,394 for city schools). The capital assets are reported in the financial statements of the Bradley County Board of Education and the Board of Education of the City of Cleveland, respectively. Bradley County has incurred the related liability, significantly decreasing its unrestricted net assets without a corresponding increase in the county's capital assets.

A large portion of Bradley County's net assets reflects its investment in capital assets (e.g., land, buildings, machinery, and equipment); less any related debt used to acquire those assets that is still outstanding. Bradley County uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although Bradley County's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

Table 1a

BRADLEY COUNTY'S NET ASSETS

	Bradley County Government		Bradley County School Department	
	2010	2009	2010	2009
Current and Other Assets	\$ 77,649,625	\$ 75,582,120	\$ 30,719,099	\$ 25,028,890
Capital Assets	50,563,175	49,195,284	64,891,283	58,229,146
Total Assets	<u>\$ 128,212,800</u>	<u>\$ 124,777,404</u>	<u>\$ 95,610,382</u>	<u>\$ 83,258,036</u>
Long-term Liabilities	\$ 79,484,926	\$ 65,371,153	\$ 2,985,563	\$ 2,231,324
Other Liabilities	27,696,552	23,660,100	18,263,050	17,861,793
Total Liabilities	<u>\$ 107,181,478</u>	<u>\$ 89,031,253</u>	<u>\$ 21,248,613</u>	<u>\$ 20,093,117</u>
Net Assets:				
Invested in Capital Assets, Net of Related Debt	\$ 35,563,376	\$ 33,908,244	\$ 64,367,319	\$ 57,653,540
Restricted	47,311,720	47,257,104	5,330,628	2,562,295
Unrestricted	(61,843,774)	(45,419,197)	4,663,822	3,019,084
Total Net Assets	<u>\$ 21,031,322</u>	<u>\$ 35,746,151</u>	<u>\$ 74,361,769</u>	<u>\$ 63,234,919</u>

Table 1b

BRADLEY COUNTY'S NET ASSETS

	Bradley Healthcare and Rehabilitation	
	2010	2009
Current and Other Assets	\$ 3,071,737	\$ 2,516,909
Capital Assets	2,700,949	2,801,248
Total Assets	<u>\$ 5,772,686</u>	<u>\$ 5,318,157</u>
Long-term Liabilities	\$ 0	\$ 0
Other Liabilities	879,529	984,264
Total Liabilities	<u>\$ 879,529</u>	<u>\$ 984,264</u>
Net Assets:		
Invested in Capital Assets	\$ 2,700,949	\$ 2,801,248
Restricted	129,049	139,503
Unrestricted	2,063,159	1,393,142
Total Net Assets	<u>\$ 4,893,157</u>	<u>\$ 4,333,893</u>

An additional portion of Bradley County's governmental activities assets (\$47,311,720) represents resources that are subject to external restrictions on how they may be used.

At the end of the current fiscal year, Bradley County is able to report positive balances in all three categories of net assets.

Table 2a

BRADLEY COUNTY'S CHANGES IN NET ASSETS

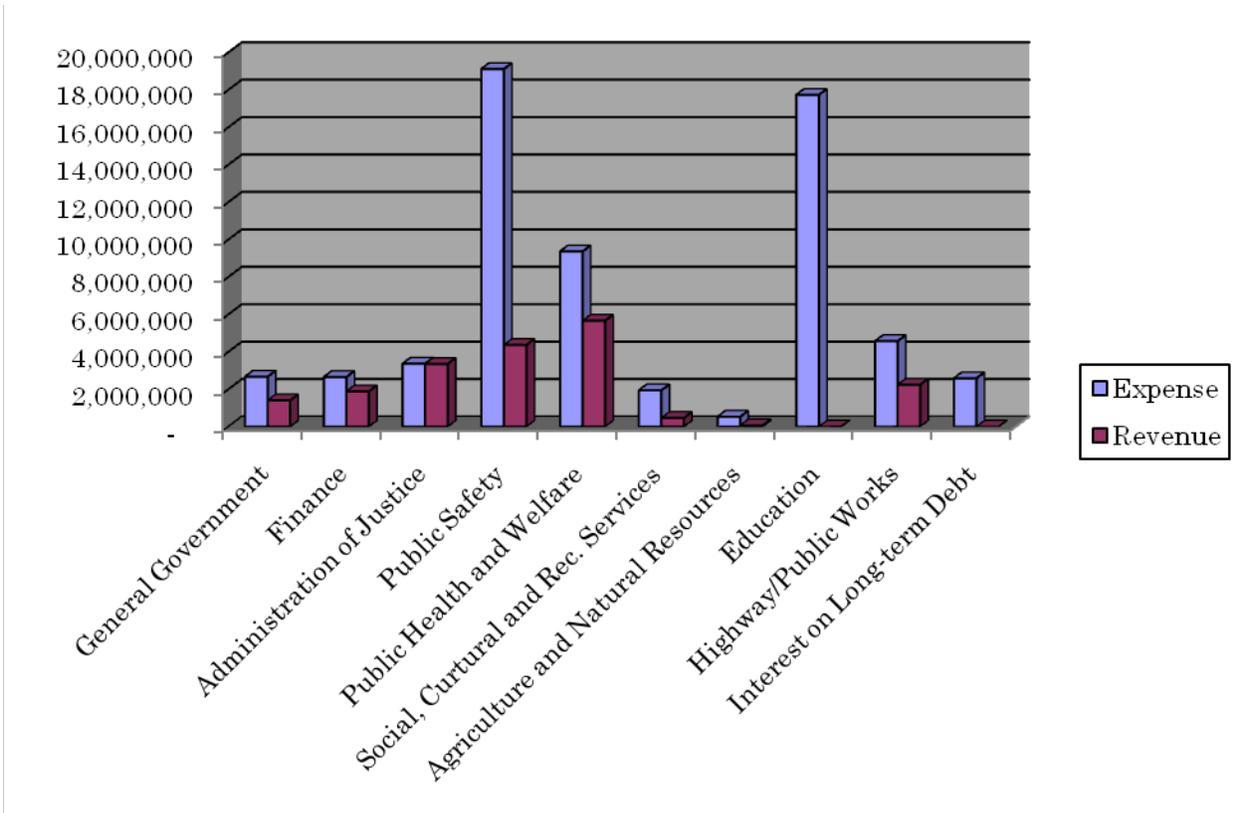
	Bradley County Government		Bradley County School Department	
	2010	2009	2010	2009
Revenues				
Program Revenues:				
Charges for Services	\$ 13,842,847	\$ 14,226,436	\$ 2,058,534	\$ 2,193,408
Operating Grants and Contributions	4,499,218	5,112,467	11,014,788	10,608,929
Capital Grants and Contributions	1,094,037	1,514,697	11,897,449	9,200
General Revenues:				
Property Taxes	20,820,980	20,344,942	11,555,769	11,451,060
Other Taxes	6,070,886	5,970,866	9,120,822	7,702,938
Grants and Contributions not Restricted to Specific Programs	987,536	1,034,691	41,798,378	39,497,842
Other	938,104	1,292,285	70,281	152,174
Total Revenues	<u>\$ 48,253,608</u>	<u>\$ 49,496,384</u>	<u>\$ 87,516,021</u>	<u>\$ 71,615,551</u>
Expenses				
General Government	\$ 2,669,472	\$ 2,965,034	\$ 0	\$ 0
Finance	2,649,529	2,694,642	0	0
Administration of Justice	3,363,566	3,263,202	0	0
Public Safety	19,113,784	19,093,684	0	0
Public Health and Welfare	9,364,256	7,343,966	0	0
Social, Cultural, and Rec. Services	1,940,553	1,879,865	0	0
Agriculture and Natural Resources	527,160	547,161	0	0
Other Operations	0	1,580,426	0	0
Highways/Public Works	4,570,149	4,474,498	0	0
Education	17,734,346	0	76,389,171	73,773,002
Interest on Long-term Debt	2,580,564	2,274,490	0	0
Other Debt Service	0	82,624	0	0
Total Expenses	<u>\$ 64,513,379</u>	<u>\$ 46,199,594</u>	<u>\$ 76,389,171</u>	<u>\$ 73,773,002</u>
Increase (Decrease) in Net Assets	\$ (16,259,771)	\$ 3,296,790	\$ 11,126,850	\$ (2,157,451)
Net Assets, July 1	35,746,151	32,449,361	63,234,919	65,392,370
Prior-period Adjustment	1,544,942	0	0	0
Net Assets, June 30	<u>\$ 21,031,322</u>	<u>\$ 35,746,151</u>	<u>\$ 74,361,769</u>	<u>\$ 63,234,919</u>

Table 2b

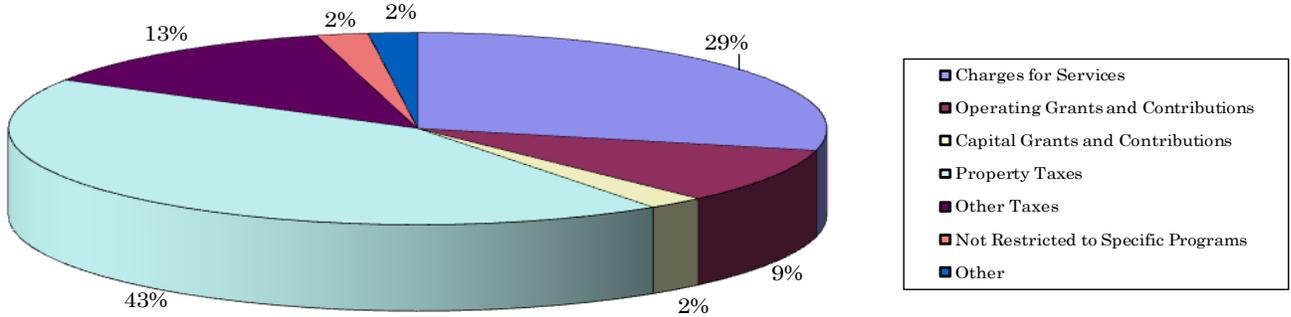
BRADLEY COUNTY'S CHANGES IN NET ASSETS

	Bradley Healthcare and Rehabilitation Center	
	2010	2009
Revenues		
Program Revenues:		
Charges for Services	\$ 12,169,506	\$ 11,957,683
General Revenues:		
Other	22,379	86,289
Total Revenues	<u>\$ 12,191,885</u>	<u>\$ 12,043,972</u>
Expenses		
Other Enterprises	\$ 11,632,621	\$ 11,987,658
Total Expenses	<u>\$ 11,632,621</u>	<u>\$ 11,987,658</u>
Increase (Decrease) in Net Assets	\$ 559,264	\$ 56,314
Net Assets, July 1	<u>4,333,893</u>	<u>4,277,579</u>
Net Assets, June 30	<u>\$ 4,893,157</u>	<u>\$ 4,333,893</u>

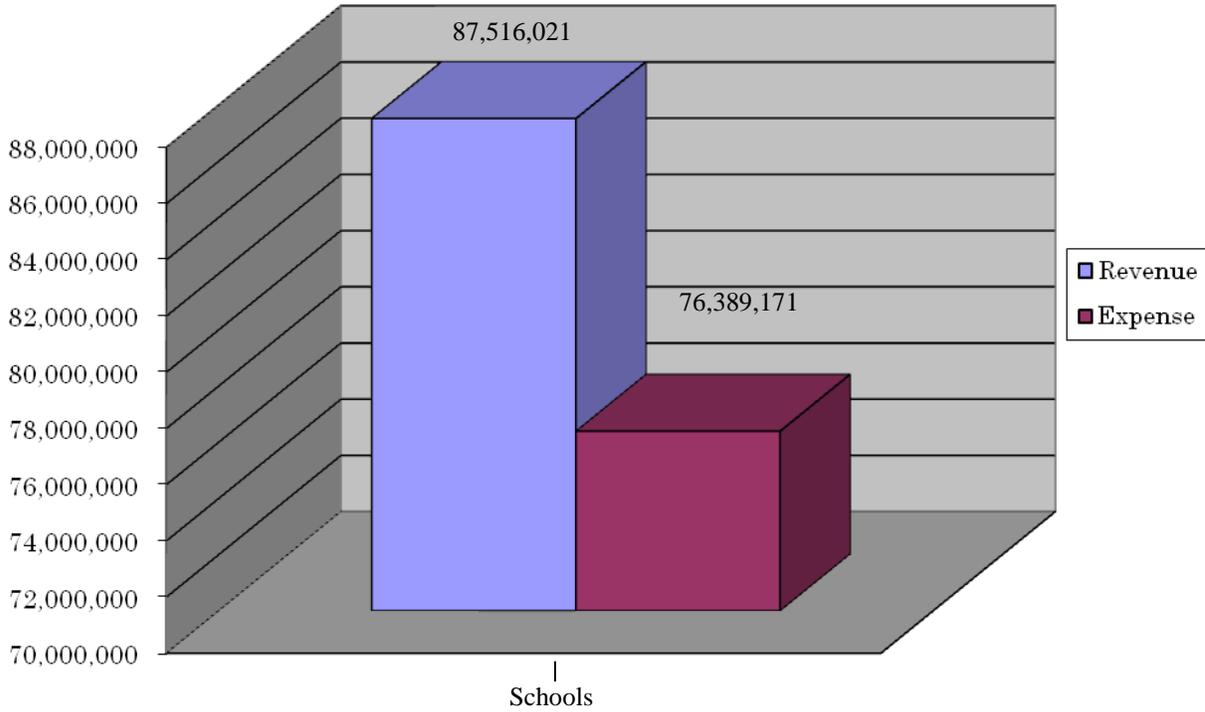
Program Revenues and Expenses – Governmental Activities



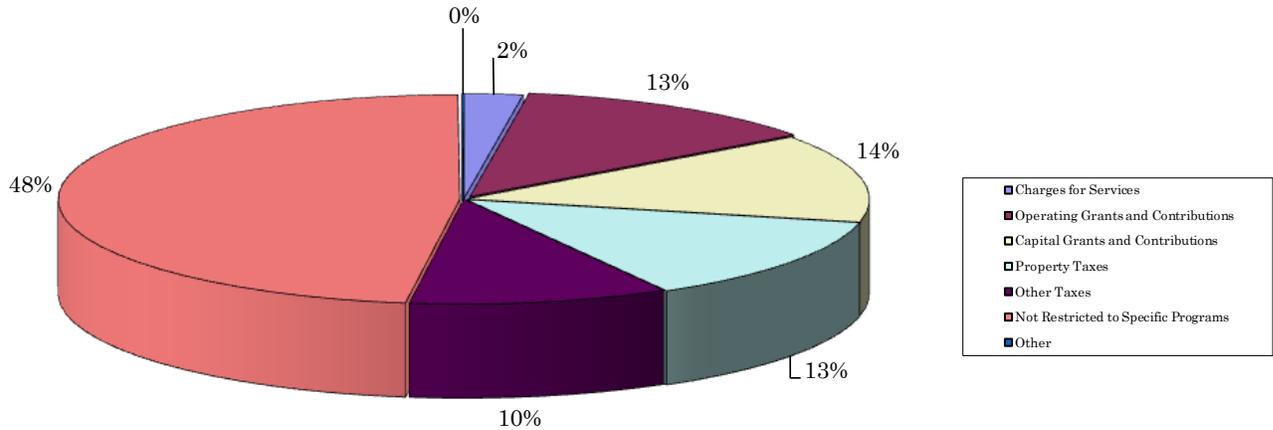
Revenues by Source – Governmental Activities



Program Revenues and Expenses



Revenues by Source - Schools



Financial Analysis of the Government's Funds

As noted earlier, Bradley County uses fund accounting to ensure and demonstrate compliance with finance-relegated legal requirements.

Governmental funds. The focus of Bradley County's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing Bradley County's financing requirements. In particular, unreserved fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

As of the end of the current fiscal year, Bradley County's governmental funds reported combined ending fund balances of \$48,830,086. Approximately 60 percent of this amount (\$29,355,917) constitutes unreserved fund balance, which is available for spending at the government's discretion (subject to each fund's restriction). The remainder of the fund balance is reserved to indicate that it is not available for new spending because it has already been committed 1) to liquidate contracts and purchase orders (\$1,241,728), 2) for a variety of other restricted purposes (\$2,585,788), or 3) for the Health, Wellness, and Quality of Life Permanent Fund (\$15,646,653).

The General Fund is the chief operating fund of Bradley County. At the end of the current fiscal year, unreserved fund balance of the General Fund was \$1,090,398 while total fund balance reached \$3,661,891. As a measure of the General Fund's liquidity, it may be useful to compare both unreserved fund balance and total fund balance to total fund expenditures. Unreserved fund balance represents 3.4 percent of total General Fund expenditures, while total fund balance represents 11 percent of that same amount.

The fund balance of Bradley County's General Fund decreased by \$1,801,043 during the current fiscal year. Key factors in this were a 12.8 percent reduction in state funding, a 21.9 percent reduction in licenses and permits, a 10.5 percent reduction in fines, forfeitures and penalties, and a 3.6 percent reduction in charges for services all a direct result of the economic downturn.

The fund balance of the Highway/Public Works Fund decreased by \$286,047 during the current fiscal year. This was mainly due to the three percent reduction in state funding as a result of the economic situation.

The General Debt Service Fund has a total fund balance of \$16,403,302 all of which is allocated for the payment of debt service. The \$153,065 net increase in fund balance during the current year in the General Debt Service Fund was largely due to savings resulting from low variable rates.

General Fund Budgetary Highlights

The difference between the original budget expenditures and the final amended budget expenditures in the General Fund was \$2,218,964 (increase in appropriations) and can be briefly summarized as follows:

- Increases allocated to General Government - \$29,716
- Increases allocated to Finance - \$1,844
- Increases allocated to Administration of Justice - \$260,143
- Increases allocated to Public Safety - \$1,374,027
- Increases allocated to Public Health and Welfare - \$15,852
- Increases allocated to Social, Cultural, and Recreational - \$1,621
- Decreases allocated to Agriculture and Natural Resources - \$6,130
- Increases allocated to Other Operations - \$541,891

Of this increase, \$1,523,125 was to be funded out of miscellaneous increases in various charges for services, grant proceeds, and insurance recovery. The remaining \$695,839 was to be budgeted from available fund balances and reserves. During the year, however, revenues exceeded budgetary estimates, and expenditures were less than budgetary estimates, thus eliminating the need to draw upon existing fund balance.

The General Purpose School Fund had an increase in allocations totaling \$2,823,591, which consisted mostly of additional state and federal dollars received totaling \$1.7 million and transfers from fund balance of \$1.1 million.

Capital Assets and Debt Administration

Capital assets. The investment in capital assets includes land, buildings and system improvements, machinery and equipment, park facilities, roads, highways, and bridges. Bradley County's investment in capital assets for its governmental activities as of June 30, 2010, amounts to \$50,563,175 (net of accumulated depreciation and related debt). The Bradley County School Department's investment in capital assets for its governmental activities amounts to \$64,891,013 (net of accumulated depreciation and related debt). Related debt for schools is carried in governmental activities.

Major capital assets events during the current fiscal year included the following:

- Purchasing 11 vehicles – Sheriff's Department at \$245,158
- Purchasing two vehicles – Drug Fund at \$40,727

- Purchasing radio towers and land – Emergency Management Agency at \$350,000
- Purchasing three vehicles – Fire/Rescue at \$47,580
- Purchasing an ambulance and a remount – Ambulance at \$135,466
- Purchasing a fire truck – Fire/Rescue at \$350,000
- Purchasing a plat machine – Register of Deeds at \$15,895
- Purchasing a Toro 60” mower – Recreation at \$7,999
- Purchasing a transport ventilator – Ambulance at \$8,700
- Purchasing a hydraulic pump – Fire/Rescue at \$6,000

For more detailed information on capital assets activity, please see the relevant disclosures in the notes to the financial statements, Note IV.D.

Long-term Debt

Table 3

BRADLEY COUNTY				
Issued For	General County	County Schools	City Schools	Total Governmental Activity
Notes	\$ 611,193	\$ 189,520	\$ 0	\$ 800,713
Bonds	0	11,994,133	5,555,867	17,550,000
Other Loans	14,339,177	32,836,804	15,469,527	62,645,508
Compensated Absences	1,202,655	0	0	1,202,655
Other Postemployment Benefits	517,535	2,586,805	0	3,104,340
Capital Leases	176,583	334,444	0	511,027
Total Long-term Debt	\$ 16,847,143	\$ 47,941,706	\$ 21,025,394	\$ 85,814,243

At the end of the current fiscal year, Bradley County and the discretely presented Bradley County School Department had total long-term debt outstanding of \$85,814,243. This amount comprises debt backed by the full faith and credit of the government. Bradley County’s and the discretely presented Bradley County School Department’s total debt increased by \$15,366,459 (not including compensated absences and other postemployment benefits) during the current fiscal year.

For more detailed information on long-term debt activity, please see the relevant disclosures in the notes to the financial statements. Note IV.H. of this report provides additional information regarding capital leases, and Note IV.I. provides additional information regarding general obligation bonds, notes, and other loans.

Bradley County maintains an Aa2 rating from Moody’s and AA- from Standard & Poor’s for general obligation debt.

Economic Factors and Next Year’s Budgets and Rates

The unemployment rate for the county as of June 30, 2010, is nine percent, which is down from a year ago at 9.9 percent. The state’s average unemployment rate is 10.1 percent and

the national average is 9.5 percent. Inflationary trends in the region compare favorably to national indices. All of these factors were considered in preparing the county's budget for the 2010-11 fiscal year.

At the end of the 2009-10 fiscal year, unreserved fund balance in the General Fund decreased to \$1,090,398 (66.5 percent decrease from last year's actual unreserved fund balance). The county has budgeted \$115,162 of this fund balance for spending during the fiscal year 2010-11.

Request for Information

This financial report is designed to provide a general overview of the county's finances for all those with an interest in the government's finances. For questions concerning any of the information provided in this report, please contact the Accounting and Budgeting Office at 155 Broad Street, Cleveland, Tennessee 37311.

BASIC FINANCIAL STATEMENTS

Exhibit A

Bradley County, Tennessee
Statement of Net Assets
June 30, 2010

	Primary Government <u>Governmental Activities</u>	Component Units	
		Bradley County School Department	Bradley Healthcare and Rehabilitation Center
<u>ASSETS</u>			
Cash	\$ 323,088	\$ 4,418	\$ 2,163,991
Equity in Pooled Cash and Investments	41,343,595	16,043,462	0
Investments	4,299,892	0	0
Deferred Outflow - Interest Rate Swap	3,447,704	0	0
Accounts Receivable	7,073,924	0	945,894
Allowance for Uncollectibles	(3,458,312)	0	(76,440)
Due from Other Governments	2,291,428	2,631,945	0
Inventories	0	139,503	35,487
Property Taxes Receivable	22,512,071	12,385,685	0
Allowance for Uncollectible Property Taxes	(966,442)	(485,914)	0
Prepaid Items	0	0	2,805
Notes Receivable - Long-term	34,004	0	0
Deferred Charges - Debt Issuance Costs	748,673	0	0
Capital Assets:			
Assets Not Depreciated:			
Land	5,948,505	1,294,715	1,250
Construction in Progress	258,230	6,872,528	0
Assets Net of Accumulated Depreciation:			
Buildings and Improvements	20,185,268	56,417,181	2,267,994
Infrastructure	20,636,978	0	0
Other Capital Assets	3,534,194	306,859	431,705
Total Assets	<u>\$ 128,212,800</u>	<u>\$ 95,610,382</u>	<u>\$ 5,772,686</u>
<u>LIABILITIES</u>			
Accounts Payable	\$ 0	\$ 892,311	\$ 214,945
Accrued Payroll	0	5,773,266	465,753
Payroll Deductions Payable	151,379	0	0
Accrued Interest Payable	188,558	4,013	0
Derivative - Interest Rate Swap	3,447,704	0	0
Other Current Liabilities	0	0	104,863
Other Long-term Liabilities	0	0	93,968
Unearned Revenue - Current Property Taxes	20,577,903	11,468,254	0
Noncurrent Liabilities:			
Due Within One Year	3,331,008	125,206	0
Due in More Than One Year	79,484,926	2,985,563	0
Total Liabilities	<u>\$ 107,181,478</u>	<u>\$ 21,248,613</u>	<u>\$ 879,529</u>
<u>NET ASSETS</u>			
Invested in Capital Assets, Net of Related Debt	\$ 35,563,376	\$ 64,367,319	\$ 0
Invested in Capital Assets	0	0	2,700,949
Restricted for:			
General Purposes	2,084,825	44,286	0
Law Library	19,091	0	0
Public Library	181,846	0	0

(Continued)

Exhibit A

Bradley County, Tennessee
Statement of Net Assets (Cont.)

	Primary Government <u>Governmental</u> <u>Activities</u>	Component Units	
		<u>Bradley</u> <u>County</u> <u>School</u> <u>Department</u>	<u>Bradley</u> <u>Healthcare and</u> <u>Rehabilitation</u> <u>Center</u>
<u>NET ASSETS (Cont.)</u>			
Restricted for (Cont.):			
Solid Waste/Sanitation	\$ 1,468,494	\$ 0	\$ 0
Drug Control	402,423	0	0
Agri-Business	64,248	0	0
Special Purpose Fire Tax	1,276,586	0	0
Veterans Nursing Home	17,668	0	0
Highway/Public Works	2,207,426	0	0
Debt Service	16,356,538	0	0
Capital Projects	6,566,407	3,113,780	0
Health, Wellness, and Quality of Life:			
Expendable	552,556	0	0
Nonexpendable	16,113,612	0	0
School Federal Projects	0	507,832	0
Central Cafeteria	0	1,664,730	0
Other Purposes	0	0	129,049
Unrestricted	<u>(61,843,774)</u>	<u>4,663,822</u>	<u>2,063,159</u>
Total Net Assets	<u>\$ 21,031,322</u>	<u>\$ 74,361,769</u>	<u>\$ 4,893,157</u>

The notes to the financial statements are an integral part of this statement.

Exhibit B

Bradley County, Tennessee
 Statement of Activities
 For the Year Ended June 30, 2010

Functions/Programs	Net (Expense) Revenue and Changes in Net Assets									
	Program Revenues			Government		Component Units				
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Total Governmental Activities	Bradley County School Department	Bradley School Department	Healthcare and Rehabilitation Center		
Primary Government:										
Governmental Activities:										
General Government	\$ 2,669,472	\$ 1,148,994	\$ 16,867	\$ 237,277	\$ (1,266,334)	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Finance	2,649,529	1,863,399	22,651	0	(763,479)	0	0	0	0	0
Administration of Justice	3,363,566	3,209,615	142,085	0	(11,866)	0	0	0	0	0
Public Safety	19,113,784	2,957,830	796,899	609,495	(14,749,560)	0	0	0	0	0
Public Health and Welfare	9,364,256	4,391,421	1,186,091	83,776	(3,702,968)	0	0	0	0	0
Social, Cultural, and Recreational Services	1,940,553	256,213	193,011	13,267	(1,478,062)	0	0	0	0	0
Agriculture and Natural Resources	527,160	0	0	66,141	(461,019)	0	0	0	0	0
Highways/Public Works	4,570,149	15,375	2,141,614	84,081	(2,329,079)	0	0	0	0	0
Education (Payments for the benefit of component unit)	17,734,346	0	0	0	(17,734,346)	0	0	0	0	0
Interest on Long-term Debt	2,580,564	0	0	0	(2,580,564)	0	0	0	0	0
Total Governmental Activities	\$ 64,513,379	\$ 13,842,847	\$ 4,499,218	\$ 1,094,037	\$ (45,077,277)	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Total Primary Government	\$ 64,513,379	\$ 13,842,847	\$ 4,499,218	\$ 1,094,037	\$ (45,077,277)	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Component Units:										
Bradley County School Department	\$ 76,389,171	\$ 2,058,534	\$ 11,014,788	\$ 11,897,449	\$ 0	\$ (51,418,400)	\$ 0	\$ 0	\$ 0	\$ 0
Bradley Healthcare and Rehabilitation Center	11,632,621	12,169,506	0	0	0	0	0	0	0	536,885
Total Component Units	\$ 88,021,792	\$ 14,228,040	\$ 11,014,788	\$ 11,897,449	\$ 0	\$ (51,418,400)	\$ 0	\$ 0	\$ 0	\$ 536,885

(Continued)

Exhibit B

Bradley County, Tennessee
Statement of Activities (Cont.)

Functions/Programs	Net (Expense) Revenue and Changes in Net Assets					
	Program Revenues		Primary Government		Component Units	
	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Total Governmental Activities	Bradley County School Department	Bradley Healthcare and Rehabilitation Center
General Revenues:						
Taxes:						
Property Taxes Levied for General Purposes				\$ 16,081,162	\$ 11,555,769	\$ 0
Property Taxes Levied for Debt Service				4,739,818	0	0
Local Option Sales Taxes				3,791,246	9,115,681	0
Hotel/Motel Tax				564,217	0	0
Litigation Tax - General				360,674	0	0
Litigation Tax - Special Purpose				69,026	0	0
Litigation Tax - Jail, Workhouse, or Courthouse				80,177	0	0
Business Tax				901,288	0	0
Wholesale Beer Tax				300,090	0	0
Interstate Telecommunications Tax				4,168	5,141	0
Grants and Contributions Not Restricted to Specific Programs				987,536	41,798,378	4,871
Unrestricted Investment Income				705,170	21,309	17,508
Miscellaneous Refunds				232,934	48,972	0
Total General Revenues				\$ 28,817,506	\$ 62,545,250	\$ 22,379
Change in Net Assets				\$ (16,259,771)	\$ 11,126,850	\$ 559,264
Net Assets, July 1, 2009				35,746,151	63,234,919	4,333,893
Prior-period Adjustment				1,544,942	0	0
Net Assets, June 30, 2010				\$ 21,031,322	\$ 74,361,769	\$ 4,893,157

The notes to the financial statements are an integral part of this statement.

Exhibit C-1

Bradley County, Tennessee
Balance Sheet
Governmental Funds
June 30, 2010

	Major Funds						Nonmajor	Total
	General	Highway / Public Works	General Debt Service	Education Capital Projects	Endowment	Funds		
						Other Governmental Funds	Governmental Funds	
\$	0	0	0	0	0	0	\$	
Cash	1,567,545	1,863,277	16,093,535	90,893	16,660,908	0	323,088	
Equity in Pooled Cash and Investments							\$	
Accounts Receivable	6,915,649	0	80,875	0	5,260	72,140	9,367,329	
Allowance for Uncollectibles	(3,458,312)	0	0	0	0	0	45,643,487	
Due from Other Governments	1,605,053	416,399	188,240	249	0	81,487	7,073,924	
Property Taxes Receivable	11,121,867	2,731,947	4,888,925	36,773	0	3,732,559	(3,458,312)	
Allowance for Uncollectible Property Taxes	(416,777)	(107,180)	(195,046)	(1,443)	0	(245,996)	2,291,428	
Notes Receivable - Long-term	0	0	0	0	0	34,004	22,512,071	
							(966,442)	
							34,004	
\$	17,335,025	4,904,443	21,056,529	126,472	16,666,168	13,364,611	\$	
Total Assets							73,453,248	

ASSETS

LIABILITIES AND FUND BALANCES

\$	151,379	0	0	0	0	0	0	0	151,379
Payroll Deductions Payable	10,360,684	2,529,586	4,516,401	34,048	0	3,137,184	20,577,903		
Deferred Revenue - Current Property Taxes	246,112	68,016	126,826	916	0	303,588	745,458		
Deferred Revenue - Delinquent Property Taxes	2,914,959	205,198	10,000	83	0	18,182	3,148,422		
Other Deferred Revenues	\$	2,802,800	\$	4,653,227	\$	35,047	\$	3,458,954	\$
Total Liabilities									24,623,162
\$	486,668	0	0	0	0	755,060	1,241,728		
Fund Balances	100,719	0	0	0	0	0	100,719		
Reserved for Encumbrances	9,581	0	0	0	0	0	9,581		
Reserved for Alcohol and Drug Treatment	1,293,714	0	0	0	0	0	1,293,714		
Reserved for Litter Enforcement Awards	220,976	0	0	0	0	0	220,976		
Reserved for Litigation Tax - Jail, Workhouse, or Courthouse	11,722	0	0	0	0	0	11,722		
Reserved for Drug Court	9,155	0	0	0	0	0	9,155		
Reserved for Sexual Offender Registration	34,922	0	0	0	0	0	34,922		
Reserved for Courtroom Security	42,681	0	0	0	0	0	42,681		
Reserved for Computer System - Register									
Reserved for Automation Purposes - Circuit Court									

(Continued)

Exhibit C-1

Bradley County, Tennessee
Balance Sheet
Governmental Funds (Cont.)

	Major Funds					Nonmajor Funds		Total Governmental Funds
	General	Highway / Public Works	General Debt Service	Education Capital Projects	Endowment	Other Governmental Funds		
\$	14,358	0	0	0	0	0	0	14,358
Reserved for Automation Purposes - Criminal Court	39,981	0	0	0	0	0	0	39,981
Reserved for Automation Purposes - General Sessions Court	11,257	0	0	0	0	0	0	11,257
Reserved for Automation Purposes - Chancery Court	868	0	0	0	0	0	0	868
Reserved for Automation Purposes - Other Courts	3,552	0	0	0	0	0	0	3,552
Reserved for Automation Purposes - Sheriff	0	0	0	0	15,646,653	0	0	15,646,653
Reserved for Endowments	0	0	0	0	0	34,004	0	34,004
Reserved for Long-term Notes Receivable	6,873	0	0	0	0	0	0	6,873
Other Federal Reserves	284,466	0	0	0	466,959	0	0	751,425
Reserved for Other General Purposes								
Unreserved, Reported In:								
General Fund	1,090,398	0	0	0	0	0	0	1,090,398
Special Revenue Funds	0	2,101,643	0	0	0	3,407,519	0	5,509,162
Debt Service Funds	0	0	16,403,302	0	0	0	0	16,403,302
Capital Projects Funds	0	0	0	91,425	0	5,709,074	0	5,800,499
Permanent Funds	0	0	0	0	552,556	0	0	552,556
Total Fund Balances	\$ 3,661,891	\$ 2,101,643	\$ 16,403,302	\$ 91,425	\$ 16,666,168	\$ 9,905,657	\$	48,830,086
Total Liabilities and Fund Balances	\$ 17,335,025	\$ 4,904,443	\$ 21,056,529	\$ 126,472	\$ 16,666,168	\$ 13,364,611	\$	73,453,248

The notes to the financial statements are an integral part of this statement.

Exhibit C-2

Bradley County, Tennessee

Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Assets

June 30, 2010

Amounts reported for governmental activities in the statement
of net assets (Exhibit A) are different because:

Total fund balances - balance sheet - governmental funds (Exhibit C-1)		\$ 48,830,086
(1) Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.		
Add: land	\$ 5,948,505	
Add: construction in progress	258,230	
Add: buildings and improvements net of accumulated depreciation	20,185,268	
Add: other capital assets net of accumulated depreciation	3,534,194	
Add: infrastructure net of accumulated depreciation	<u>20,636,978</u>	50,563,175
(2) Long-term liabilities are not due and payable in the current period and therefore are not reported in the governmental funds.		
Less: bonds payable	\$ (17,550,000)	
Less: notes payable	(611,193)	
Less: other loans payable	(62,645,000)	
Less: capital leases payable	(176,583)	
Less: interest accrued on bonds, notes, other loans, and capital leases	(188,558)	
Less: other postemployment benefits liability	(517,535)	
Less: compensated absences payable	(1,202,655)	
Less: other deferred revenue - premium on debt	(112,968)	
Add: deferred charges - debt issuance costs	<u>748,673</u>	(82,255,819)
(3) Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the governmental funds.		<u>3,893,880</u>
Net assets of governmental activities (Exhibit A)		<u>\$ 21,031,322</u>

The notes to the financial statements are an integral part of this statement.

Exhibit C-3

Bradley County, Tennessee
Statement of Revenues, Expenditures,
and Changes in Fund Balances
Governmental Funds
For the Year Ended June 30, 2010

	Major Funds						Nonmajor Funds		Total Governmental Funds
	General	Highway / Public Works	General Debt Service	Education		Endowment	Other		
				Capital Projects			Governmental Funds		
Revenues									
Local Taxes	\$ 15,263,142	\$ 2,585,847	\$ 4,831,014	\$ 34,815	\$ 0	\$ 4,506,731	\$ 27,221,549		
Licenses and Permits	284,770	0	0	0	0	0	284,770		
Fines, Forfeitures, and Penalties	594,410	0	0	0	0	104,448	698,858		
Charges for Current Services	4,532,224	0	0	0	0	1,936,260	6,468,484		
Other Local Revenues	772,882	189,326	21,228	0	166,541	501,290	1,651,267		
Fees Received from County Officials	2,371,732	0	0	0	0	0	2,371,732		
State of Tennessee	3,375,368	2,296,396	147,636	1,072	0	221,952	6,042,424		
Federal Government	826,061	0	237,277	0	0	66,141	1,129,479		
Other Governments and Citizens Groups	2,096,878	0	0	0	0	0	2,096,878		
Total Revenues	\$ 30,117,467	\$ 5,071,569	\$ 5,237,155	\$ 35,887	\$ 166,541	\$ 7,336,822	\$ 47,965,441		
Expenditures									
Current:									
General Government	\$ 2,130,000	\$ 0	\$ 0	\$ 0	\$ 0	\$ 298,206	\$ 2,428,206		
Finance	1,370,126	0	0	0	0	1,233,104	2,603,230		
Administration of Justice	3,079,787	0	0	0	0	224,898	3,304,685		
Public Safety	16,969,070	0	0	0	0	2,250,904	19,219,974		
Public Health and Welfare	6,252,075	0	0	0	232,428	109,261	6,593,764		
Social, Cultural, and Recreational Services	1,048,714	0	0	0	0	740,070	1,788,784		
Agriculture and Natural Resources	519,283	0	0	0	0	0	519,283		
Other Operations	1,129,453	0	97,834	677	0	1,461,137	2,689,101		
Highways	0	5,089,706	0	0	0	0	5,089,706		
Debt Service:									
Principal on Debt	0	0	2,424,049	0	0	0	2,424,049		
Interest on Debt	0	0	2,444,072	0	0	0	2,444,072		
Other Debt Service	0	0	355,260	0	0	0	355,260		
Capital Projects	0	267,910	0	17,571,601	0	596,617	18,436,128		
Total Expenditures	\$ 32,498,508	\$ 5,357,616	\$ 5,321,215	\$ 17,572,278	\$ 232,428	\$ 6,914,197	\$ 67,896,242		
Excess (Deficiency) of Revenues Over Expenditures	\$ (2,381,041)	\$ (286,047)	\$ (84,060)	\$ (17,536,391)	\$ (65,887)	\$ 422,625	\$ (19,930,801)		

(Continued)

Exhibit C-3

Bradley County, Tennessee
Statement of Revenues, Expenditures,
and Changes in Fund Balances
Governmental Funds (Cont.)

	Major Funds					Nonmajor Funds		Total Governmental Funds
	General	Highway / Public Works	General Debt Service	Education Capital Projects	Endowment	Other Governmental Funds	Governmental Funds	
<u>Other Financing Sources (Uses)</u>								
Bonds Issued	\$ 0	\$ 0	\$ 0	\$ 17,550,000	\$ 0	\$ 0	\$ 0	\$ 17,550,000
Notes Issued	240,000	0	0	0	0	0	0	240,000
Capital Leases Issued	193,736	0	0	0	0	0	0	193,736
Premiums on Debt Issued	0	0	0	21,601	0	0	0	21,601
Insurance Recovery	14,880	0	0	0	0	0	0	14,880
Transfers In	297,632	0	237,125	0	0	0	60,000	594,757
Transfers Out	(166,250)	0	0	0	0	0	(428,507)	(594,757)
Total Other Financing Sources (Uses)	\$ 579,998	\$ 0	\$ 237,125	\$ 17,571,601	\$ 0	\$ 0	\$ (368,507)	\$ 18,020,217
Net Change in Fund Balances	\$ (1,801,043)	\$ (286,047)	\$ 153,065	\$ 35,210	\$ (65,887)	\$ 54,118	\$ (1,910,584)	
Fund Balance, July 1, 2009	5,462,934	2,387,690	16,250,237	56,215	16,732,055	9,851,539	9,851,539	50,740,670
Fund Balance, June 30, 2010	\$ 3,661,891	\$ 2,101,643	\$ 16,403,302	\$ 91,425	\$ 16,666,168	\$ 9,905,657	\$ 9,905,657	\$ 48,830,086

The notes to the financial statements are an integral part of this statement.

Exhibit C-4

Bradley County, Tennessee
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances
of Governmental Funds to the Statement of Activities
For the Year Ended June 30, 2010

Amounts reported for governmental activities in the statement of activities (Exhibit B) are different because:

Net change in fund balances - total governmental funds (Exhibit C-3)		\$ (1,910,584)
(1) Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of these assets is allocated over their useful lives and reported as depreciation expense. The difference between capital outlays and depreciation is itemized as follows:		
Add: capital assets purchased in the current period	\$ 4,258,203	
Less: current year depreciation expense	<u>(2,796,782)</u>	1,461,421
(2) The net effect of various miscellaneous transactions involving capital assets (sales, trade-ins, and donations) is to decrease net assets.		
Add: assets donated and capitalized	\$ 160,000	
Less: loss on disposal of capital assets	(238,650)	
Less: decrease of revenue for the insurance recovery of disposed assets	<u>(14,880)</u>	(93,530)
(3) Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.		
Less: deferred delinquent property taxes and other deferred June 30, 2009	\$ (3,605,713)	
Add: deferred delinquent property taxes and other deferred June 30, 2010	<u>3,893,880</u>	288,167
(4) The issuance of long-term debt (e.g., bonds, notes, other loans, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net assets. Also, governmental funds report the effect of issuance costs, premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. This amount is the net effect of these differences in the treatment of long-term debt and related items.		
Less: bond proceeds	\$ (17,550,000)	
Less: note proceeds	(240,000)	
Less: capital lease proceeds	(193,736)	
Less: change in premium on debt issuance cost	(12,338)	
Add: principal payments on notes	74,049	
Add: principal payments on other loans	2,350,000	
Add: principal payments on capital leases	193,228	
Add: change in deferred debt issuance costs	<u>22,407</u>	(15,356,390)
(5) Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in the governmental funds.		
Change in compensated absences payable	\$ (14,933)	
Change in other postemployment benefits liability (net of prior-period adjustment)	(497,430)	
Change in accrued interest payable	<u>(136,492)</u>	<u>(648,855)</u>
Change in net assets of governmental activities (Exhibit B)		<u>\$ (16,259,771)</u>

The notes to the financial statements are an integral part of this statement.

Exhibit D

Bradley County, Tennessee
Statement of Fiduciary Assets and Liabilities
Fiduciary Funds
June 30, 2010

	<u>Agency Funds</u>
<u>ASSETS</u>	
Cash	\$ 4,892,584
Equity in Pooled Cash and Investments	4,769,482
Accounts Receivable	110
Due from Other Governments	2,373,395
Due from Other Funds	290
Property Taxes Receivable	8,076,248
Allowance for Uncollectible Taxes	<u>(421,026)</u>
Total Assets	<u>\$ 19,691,083</u>
<u>LIABILITIES</u>	
Cash Overdraft	\$ 7,393
Due to Other Funds	290
Due to Other Taxing Units	14,791,106
Due to Litigants, Heirs, and Others	<u>4,892,294</u>
Total Liabilities	<u>\$ 19,691,083</u>

The notes to the financial statements are an integral part of this statement.

BRADLEY COUNTY, TENNESSEE
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended June 30, 2010

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Bradley County's financial statements are presented in accordance with generally accepted accounting principles (GAAP). The Governmental Accounting Standards Board (GASB) is responsible for establishing GAAP for state and local governments.

The following are the more significant accounting policies of Bradley County:

A. Reporting Entity

Bradley County is a public municipal corporation governed by an elected 14-member board. As required by GAAP, these financial statements present Bradley County (the primary government) and its component units. The component units discussed below are included in the county's reporting entity because of the significance of their operational or financial relationships with the county.

Discretely Presented Component Units – The following entities meet the criteria for discretely presented component units of the county. They are reported in separate columns in the government-wide financial statements to emphasize that they are legally separate from the county.

The Bradley County School Department operates the public school system in the county, and the voters of Bradley County elect its board. The School Department is fiscally dependent on the county because it may not issue debt without county approval, and its budget and property tax levy are subject to the County Commission's approval. The School Department's taxes are levied under the taxing authority of the county and are included as part of the county's total tax levy.

The Bradley Healthcare and Rehabilitation Center provides resident healthcare to the citizens of Bradley County, and the County Commission appoints its governing body. The County Commission must approve all long-term debt of the Bradley Healthcare and Rehabilitation Center. Bradley County is responsible for this debt in case of default by the Bradley Healthcare and Rehabilitation Center.

The Bradley County School Department does not issue separate financial statements from those of the county. Therefore, basic financial statements of the Bradley County School Department are included in this report as listed in the table of contents. Complete financial statements of the Bradley Healthcare and Rehabilitation Center can be obtained from its administrative office at the following address:

Administrative Office:

Bradley Healthcare and Rehabilitation Center
2910 Peerless Road North West
Cleveland, TN 37312

B. Government-wide and Fund Financial Statements

The government-wide financial statements (i.e., the Statement of Net Assets and the Statement of Activities) report information on all of the nonfiduciary activities of the primary government and its component units. For the most part, the effect of interfund activity has been removed from these statements. However, when applicable, interfund services provided and used between functions are not eliminated in the process of consolidation in the Statement of Activities. Governmental activities are normally supported by taxes and intergovernmental revenues. Business-type activities, which rely to a significant extent on fees and charges, are required to be reported separately from governmental activities in government-wide financial statements. However, the primary government of Bradley County does not have any business-type activities to report. Likewise, the primary government is reported separately from certain legally separate component units for which the primary government is financially accountable. The Bradley County School Department component unit only reports governmental activities in the government-wide financial statements.

The Statement of Activities demonstrates the degree to which the direct expenses of a given function are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function. Program revenues include (1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function and (2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function. Taxes and other items not properly included among program revenues are reported instead as general revenues.

Bradley County issues all debt for the discretely presented Bradley County School Department. Net debt issues totaling \$17,391,976 were contributed by the county to the School Department (\$11,836,109) and to the City of Cleveland's School Department (\$5,555,867) during the year ended June 30, 2010.

Separate financial statements are provided for governmental funds and fiduciary funds. The fiduciary funds are excluded from the government-wide financial statements. Major individual governmental funds are reported as separate columns in the fund financial statements.

C. **Measurement Focus, Basis of Accounting, and Financial Statement Presentation**

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the fiduciary funds financial statements, except for agency funds, which have no measurement focus. Revenues are recorded when earned, and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Fund financial statements of Bradley County are organized into funds, each of which is considered to be a separate accounting entity. Each fund is accounted for by providing a separate set of self-balancing accounts that constitute its assets, liabilities, fund equity, revenues, and expenditures. Funds are organized into three major categories: governmental, proprietary, and fiduciary. However, Bradley County has no proprietary funds to report. An emphasis is placed on major funds within the governmental category.

Separate financial statements are provided for governmental funds and fiduciary funds. Major individual governmental funds are reported as separate columns in the fund financial statements. All other governmental funds are aggregated into a single column on the fund financial statements. The fiduciary funds in total are reported in a single column.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they become both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the county considers revenues other than grants to be available if they are collected within 30 days after year-end. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met and the revenues are available. Bradley County considers grants and similar revenues to be available if they are collected within 60 days after year-end. Expenditures are generally recognized under the modified accrual basis of accounting when the related fund liability is incurred. Principal and interest on long-term debt are recognized as fund liabilities when due or when amounts have been accumulated in the General Debt Service Fund for payments to be made early in the following year.

Property taxes for the period levied, in-lieu-of tax payments, sales taxes, interest, and miscellaneous taxes are all considered to be susceptible to accrual and have been recognized as revenues of the current period. Applicable business taxes, litigation taxes, state-shared excise taxes, fines, forfeitures, and penalties are not susceptible to accrual since they are not

measurable (reasonably estimable). All other revenue items are considered to be measurable and available only when the county receives cash.

Fiduciary fund financial statements are reported using the economic resources measurement focus (except for agency funds, which have no measurement focus) and the accrual basis of accounting. Revenues are recognized when earned, and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Bradley County reports the following major governmental funds:

General Fund – This is the county’s primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

Highway/Public Works Fund – This fund accounts for transactions of the county’s Highway Department.

General Debt Service Fund – This fund accounts for the resources accumulated and payments made for principal and interest on long-term general obligation debt of governmental funds.

Education Capital Projects Fund – This fund accounts for debt issued by Bradley County that is subsequently contributed to the discretely presented Bradley County School Department and the City of Cleveland School System for construction and renovation projects.

Endowment Fund – This fund accounts for proceeds from the sale of the Bradley County Memorial Hospital. The county received \$15,000,000 from the sale of the hospital and invested these proceeds. The county can spend 85 percent of investment income for the health, wellness, and quality of life for its citizens. The other 15 percent of investment income, as well as the original principal (\$15,000,000), cannot be spent.

Additionally, Bradley County reports the following fund type:

Agency Funds – These funds account for amounts collected in an agency capacity by the constitutional officers, local sales taxes received by the state to be forwarded to the various cities in Bradley County, the fire tax district, and the city school system’s share of educational revenues. Agency funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations. They do, however, use the accrual basis of accounting to recognize receivables and payables.

The discretely presented Bradley County School Department reports the following major governmental funds:

General Purpose School Fund – This fund is the primary operating fund for the School Department. It is used to account for general operations of the School Department.

Education Capital Projects Fund – This fund is used to account for the receipt of debt issued by Bradley County and contributed to the School Department for building construction and renovation.

Additionally, the Bradley County School Department reports the following fund type:

Special Revenue Funds – These funds account for the proceeds of specific revenue sources (other than major capital projects) that are legally restricted to expenditures for specific purposes.

Private-sector standards of accounting and financial reporting issued prior to December 1, 1989, generally are followed in the government-wide financial statements to the extent that those standards do not conflict with or contradict guidance of the Governmental Accounting Standards Board.

Amounts reported as program revenues include (1) charges to customers or applicants for goods, services, or privileges provided; (2) operating grants and contributions; and (3) capital grants and contributions. Internally dedicated resources are reported as general revenues rather than as program revenues. Likewise, general revenues include all taxes.

When both restricted and unrestricted resources are available for use, it is the government's policy to use restricted revenues first, then unrestricted resources as they are needed.

D. Assets, Liabilities, and Net Assets or Equity

1. Deposits and Investments

State statutes authorize the government to make direct investments in bonds, notes, or treasury bills of the U.S. government and obligations guaranteed by the U.S. government or any of its agencies; deposit accounts at state and federal chartered banks and savings and loan associations; repurchase agreements; the State Treasurer's Investment Pool; bonds of any state or political subdivision rated A or higher by any nationally recognized rating service; nonconvertible debt securities of certain federal government sponsored enterprises; and the county's own legally issued bonds or notes.

The county trustee maintains a cash and internal investment pool that is used by all funds and the discretely presented Bradley County

School Department. Each fund's portion of this pool is displayed on the balance sheets or statements of net assets as Equity in Pooled Cash and Investments. Most income from these pooled investments was assigned 50 percent to the General Fund and 50 percent to the General Capital Projects Fund. In addition, investments are held separately by the Endowment Fund. Bradley County and the School Department have adopted a policy of reporting U.S. Treasury obligations, U.S. agency obligations, and repurchase agreements with maturities of one year or less when purchased on the balance sheet at amortized cost. Certificates of deposit and investments in the State Treasurer's Investment Pool are reported at cost. The State Treasurer's Investment Pool is not registered with the Securities and Exchange Commission (SEC) as an investment company, but nevertheless has a policy that it will, and does, operate in a manner consistent with the SEC's Rule 2a7 of the Investment Company Act of 1940. Rule 2a7 allows SEC-registered mutual funds to use amortized cost rather than fair value to report net assets to compute share prices if certain conditions are met. State statutes require the state treasurer to administer the pool under the same terms and conditions, including collateral requirements, as prescribed for other funds invested by the state treasurer. All other investments are reported at fair value.

2. Receivables and Payables

Activity between funds for unremitted current collections at the end of the fiscal year is referred to as either due to/from other funds.

All ambulance service and property taxes receivable are shown with an allowance for uncollectibles. Ambulance receivables allowance for uncollectibles is based on historical collection data. The allowance for uncollectible property taxes is equal to 2.34 percent of total taxes levied.

Governmental funds report deferred revenue in connection with receivables for revenues that are not considered to be available to liquidate liabilities of the current period. Governmental funds also defer revenue recognition in connection with resources that have been received, but not yet earned.

Property taxes receivable are recognized as of the date an enforceable legal claim to the taxable property arises. This date is January 1 and is referred to as the lien date. However, revenues from property taxes are recognized in the period for which the taxes are levied, which is the ensuing fiscal year. Since the receivable is recognized before the period of revenue recognition, the entire amount of the receivable, less an estimated allowance for uncollectible taxes, is reported as deferred revenue as of June 30.

Property taxes receivable are also reported as of June 30 for the taxes that are levied, collected, and reported as revenue during the current fiscal year. These property taxes receivable are presented on the balance sheet with offsetting deferred revenue to reflect amounts not available as of June 30. Property taxes collected within 30 days of year-end are considered available and accrued. The allowance for uncollectible taxes represents the estimated amount of the receivable that will be filed in court for collection. Delinquent taxes filed in court for collection are not included in taxes receivable since they are neither measurable nor available.

Property taxes are levied as of the first Monday in October. Taxes become delinquent and begin accumulating interest and penalty the following March 1. Suit must be filed in Chancery Court between the following February 1 to April 1 for any remaining unpaid taxes. Additional costs attach to delinquent taxes after a court suit has been filed.

3. Inventories

Inventories in governmental funds consist of expendable supplies held for consumption and are valued at the lower of cost or market based on the first-in, first-out method. Inventories of governmental funds are recorded as expenditures when consumed rather than when purchased.

4. Capital Assets

Governmental funds do not capitalize the cost of capital outlays; these funds report capital outlays as expenditures upon acquisition.

Capital assets, which include property, plant, equipment, and infrastructure assets (e.g., roads, bridges, and similar items), are reported in the governmental column in the government-wide financial statements. Capital assets are defined by the government as assets with an initial, individual cost of \$5,000 for buildings and \$50,000 for infrastructure or more and an estimated useful life of more than three years. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets' lives are not capitalized.

Major outlays for capital assets and improvements are capitalized as projects are constructed.

Property, plant, equipment, and infrastructure of the primary government and the discretely presented School Department are depreciated using the straight-line method over the following estimated useful lives:

<u>Assets</u>	<u>Years</u>
Building and Improvements	25-40
Other Capital Assets	5-30
Infrastructure:	
Roads	20-40
Bridges	40

5. Compensated Absences

It is the policy of Bradley County’s General and Highway/Public Works funds to permit employees to accumulate up to 30 days of earned but unused vacation leave that will be paid upon retirement, resignation, or termination. Any accumulated unused vacation leave exceeding 30 days is transferred to the employee’s sick leave balance. All vacation leave is accrued when incurred in the government-wide statements for the General and Highway/Public Works funds. The granting of sick leave has no guaranteed payment attached and therefore is not required to be accrued or recorded.

It is the policy of the discretely presented Bradley County School Department to permit its 12-month employees to accumulate up to ten days earned but unused vacation leave, which will be paid upon retirement, resignation, or termination. However, the policy of the School Department does not allow for ten-month or 12-month employees to accumulate vacation days beyond June 30. The granting of sick leave has no guaranteed payment attached and therefore is not required to be accrued or recorded.

A liability for vacation leave is reported in governmental funds only if amounts have matured, for example, as a result of employee resignations and retirements.

6. Long-term Obligations

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities Statement of Net Assets. Debt premiums and discounts, as well as issuance costs, are deferred and amortized over the life of the debt using the straight-line method. Debt issuance costs are reported as deferred charges and amortized over the term of the related debt. In refunding transactions, the difference between the reacquisition price and the net carrying amount of the old debt is

netted against the new debt and amortized over the remaining life of the refunded debt or the life of the new debt issued, whichever is shorter.

In the fund financial statements, governmental funds recognize debt premiums and discounts, as well as debt issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources, while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

Only the matured portion (the portion that has come due for payment) of long-term indebtedness, including bonds payable, is recognized as a liability and expenditure in the governmental fund financial statements. Liabilities and expenditures for other long-term obligations, including compensated absences and other postemployment benefits, are recognized to the extent that the liabilities have matured (come due for payment) each period.

7. Net Assets and Fund Equity

In the government-wide financial statements equity is classified as net assets and displayed in three components:

- a. Invested in capital assets, net of related debt – Consists of capital assets, including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.
- b. Restricted net assets – Consists of net assets with constraints placed on the use either by (1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments or (2) law through constitutional provisions or enabling legislation.
- c. Unrestricted net assets – All other net assets that do not meet the definition of restricted or invested in capital assets, net of related debt.

As of June 30, 2010, Bradley County had \$65,856,331 in outstanding debt for capital purposes for the discretely presented Bradley County School Department and the City of Cleveland's School System. In accordance with state statutes, certain county school debt proceeds must be shared with other public school systems in the county (City of Cleveland School System) based on an average daily attendance proration. This debt is a liability of Bradley County, but the capital assets acquired are reported in the financial statements of the county

School Department and the City of Cleveland School System. Therefore, Bradley County has incurred a liability significantly decreasing its unrestricted net assets with no corresponding increase in the county's capital assets.

In the fund financial statements, governmental funds report reservations of fund balance for amounts that are not available for appropriation or are legally restricted by outside parties for use for a specific purpose.

8. Prior-period Adjustments

Net assets of Bradley County were restated \$1,544,942 from the prior-year because the liability for other postemployment benefits as of July 1, 2009, was overstated.

II. RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

A. Explanation of certain differences between the governmental fund balance sheet and the government-wide Statement of Net Assets

Primary Government

Exhibit C-2 includes explanations of the nature of individual elements of items required to reconcile the balance sheet of governmental funds with the government-wide Statement of Net Assets.

Discretely Presented Bradley County School Department

Exhibit I-3 includes explanations of the nature of individual elements of items required to reconcile the balance sheet of governmental funds with the government-wide Statement of Net Assets.

B. Explanation of certain differences between the governmental fund Statement of Revenues, Expenditures, and Changes in Fund Balances and the government-wide Statement of Activities

Primary Government

Exhibit C-4 includes explanations of the nature of individual elements of items required to reconcile the net change in fund balances – total governmental funds with the change in net assets of governmental activities reported in the government-wide Statement of Activities.

Discretely Presented Bradley County School Department

Exhibit I-5 includes explanations of the nature of individual elements of items required to reconcile the net change in fund balances – total

governmental funds with the change in net assets of governmental activities reported in the government-wide Statement of Activities.

III. STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

A. Budgetary Information

Annual budgets are adopted on a basis consistent with generally accepted accounting principles (GAAP) for all governmental funds except the Constitutional Officers – Fees Fund (special revenue fund) and the Endowment Fund (permanent fund), which are not budgeted and the capital projects funds, which adopt project length budgets. All annual appropriations lapse at fiscal year end.

The county is required by state statute to adopt annual budgets. Annual budgets are prepared on the basis in which current available funds must be sufficient to meet current expenditures. Expenditures and encumbrances may not legally exceed appropriations authorized by the County Commission and any authorized revisions. Unencumbered appropriations lapse at the end of each fiscal year.

The budgetary level of control is at the major category level established by the County Uniform Chart of Accounts, as prescribed by the Comptroller of the Treasury of the State of Tennessee. Major categories are at the department level (examples of General Fund major categories: County Commission, Board of Equalization, County Mayor/Executive, County Attorney, etc.). Management may make revisions within major categories, but only the County Commission may transfer appropriations between major categories. During the year, several supplementary appropriations were necessary.

The county's budgetary basis of accounting is consistent with GAAP, except instances in which encumbrances are treated as budgeted expenditures. The difference between the budgetary basis and GAAP basis is presented on the face of each budgetary schedule.

B. Cash Overdraft

The Cities Sale Tax Fund had a cash overdraft of \$7,393 at June 30, 2010. This overdraft resulted from the issuance of warrants exceeding cash on deposit with the county trustee. This cash overdraft was liquidated subsequent to June 30, 2010.

C. A Capital Outlay Note was not Issued in Compliance with State Statutes

County officials issued a \$240,000 capital outlay note to purchase land, a small building, and two radio towers for emergency management without the approval of the state Comptroller's Office as required by Section 9-21-601, Tennessee Code Annotated.

IV. DETAILED NOTES ON ALL FUNDS

A. Deposits and Investments

Bradley County and the Bradley County School Department participate in an internal cash and investment pool through the Office of Trustee. The county trustee is the treasurer of the county and in this capacity is responsible for receiving, disbursing, and investing most county funds. Each fund's portion of this pool is displayed on the balance sheets or statements of net assets as Equity in Pooled Cash and Investments. Cash and investments reflected on the balance sheets or statements of net assets represent nonpooled amounts held separately by individual funds.

Deposits

Legal Provisions. All deposits with financial institutions must be secured by one of two methods. One method involves financial institutions that participate in the bank collateral pool administered by the state treasurer. Participating banks determine the aggregate balance of their public fund accounts for the State of Tennessee and its political subdivisions. The amount of collateral required to secure these public deposits must equal at least 105 percent of the average daily balance of public deposits held. Collateral securities required to be pledged by the participating banks to protect their public fund accounts are pledged to the state treasurer on behalf of the bank collateral pool. The securities pledged to protect these accounts are pledged in the aggregate rather than against each account. The members of the pool may be required by agreement to pay an assessment to cover any deficiency. Under this additional assessment agreement, public fund accounts covered by the pool are considered to be insured for purposes of credit risk disclosure.

For deposits with financial institutions that do not participate in the bank collateral pool, state statutes require that all deposits be collateralized with collateral whose market value is equal to 105 percent of the uninsured amount of the deposits. The collateral must be placed by the depository bank in an escrow account in a second bank for the benefit of the county.

Investments

Legal Provisions. Counties are authorized to make direct investments in bonds, notes, or treasury bills of the U.S. government and obligations guaranteed by the U.S. government or any of its agencies; deposits at state and federal chartered banks and savings and loan associations; bonds of any state or political subdivision rated A or higher by any nationally recognized rating service; nonconvertible debt securities of certain federal government sponsored enterprises; and the county's own legally issued bonds or notes. These investments may not have a maturity greater than two years. The county may make investments with longer maturities if various restrictions set out in state law are followed. Counties are also authorized to make investments in the State Treasurer's Investment Pool and in repurchase

agreements. Repurchase agreements must be approved by the state Comptroller's Office and executed in accordance with procedures established by the State Funding Board. Securities purchased under a repurchase agreement must be obligations of the U.S. government or obligations guaranteed by the U.S. government or any of its agencies. When repurchase agreements are executed, the purchase of the securities must be priced at least two percent below the fair value of the securities on the day of purchase.

Investment Balances. As of June 30, 2010, Bradley County had the following nonpooled investment carried at fair value for the Endowment Fund:

Investments	Maturities	Fair Value
U.S. Treasury Bill	7-15-10	\$ 4,299,892

Interest Rate Risk. Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. State statutes limit the maturities of certain investments as previously disclosed. Bradley County does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

Credit Risk. Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. State statutes limit the ratings of certain investments as previously explained. Bradley County has no investment policy that would further limit its investment choices. Bradley County's investment in the U.S. Treasury Bill was not rated.

Concentration of Credit Risk. Concentration of credit risk is the risk of loss attributed to the magnitude of the county's investment in a single issuer. Bradley County places no limit on the amount the county may invest in one issuer. The \$4,299,892 nonpooled investments in U.S. Treasury Bills represent the entire investments of the primary government's Endowment Fund.

Custodial Credit Risk. Custodial credit risk for investments is the risk that, in the event of a failure of the counterparty to a transaction, the county will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. Bradley County does not have a formal policy that limits custodial credit risk for investments.

B. Notes Receivable

Notes receivable in the HUD Capital Projects Fund resulted from idle federal funds being used to finance various low-interest loans for housing assistance to low-income individuals. The amount of the notes that is not expected to be collected within one year is \$34,004.

C. Derivative Instruments

Primary Government

At June 30, 2010, Bradley County had the following derivative instruments outstanding:

Instrument	Type	Objective	Original Notional Amount	Effective Date	Maturity Date	Terms
\$10M Swap Series IV-C-2	Pay fixed interest rate swap	Variable to synthetic fixed rate swap	\$ 10,000,000	12-1-06	6-1-20	Pay 4.38% receive 63.5% of LIBOR
\$10M Swap Series IV-G-1	Pay fixed interest rate swap	Variable to synthetic fixed rate swap	10,000,000	12-1-06	6-1-26	Pay 4.45% receive 63.5% of LIBOR

The fair value balances and notional amounts of derivative instruments outstanding at June 30, 2010, classified by type, and the changes in fair value of such derivative instruments for the year then ended as reported in the 2010 financial statements are as follows:

Type	Classification	Changes in Fair Value Amount	Fair Value at June 30, 2010 Classification	Amount	6-30-10 Notional Amount
Governmental Activities					
Cash Flow Hedges:					
Pay-fixed interest rate swaps:					
\$10M Swap - Series IV-C-2	Deferred Outflow	\$ (239,598)	Debt	\$(1,273,456)	\$ 9,575,000
\$10M Swap - Series IV-G-1	Deferred Outflow	(441,951)	Debt	(2,174,248)	10,000,000
Totals		<u>\$ (681,549)</u>		<u>\$(3,447,704)</u>	<u>\$19,575,000</u>

Derivative Swap Agreement Detail

\$10M Series IV-C-2 Swap:

The Public Building Authority of Bradley County, Tennessee, at the request of the county, has entered into an interest rate swap agreement under its Series IV-C-2 Loan Agreement.

Objective of the interest rate swap. To protect against the potential of rising interest rates and to balance its mixture of variable and fixed rate debt, the county requested the authority, on its behalf, to enter into an

interest rate swap in connection with its \$10 million Series IV-C-2 variable-rate bonds. The intention of the swap was to effectively change the county's variable interest rate on the bonds to a synthetic fixed rate. The Series IV-C-2 bonds have since been refunded with a portion of the proceeds of the Series E-6-A bonds and the interest rate swap is now associated with the Series E-6-A bonds.

Terms. Under the swap, the authority pays the counterparty a fixed payment of 4.38 percent and receives a variable payment computed as 63.5 percent of the five-year London Interbank Offered Rate (LIBOR). The swap had an original notional amount of \$10 million and the original associated variable-rate bonds had a \$10 million principal amount. At no time will the notional amount on the interest rate swap agreement exceed the outstanding principal of the Series E-6-A Bonds. The bonds' variable-rates have historically approximated the Securities Industry and Financial Markets Association Index™ (SIFMA). The swap agreement had an effective date of December 1, 2006, and matures on June 1, 2020. As of June 30, 2010, rates were as follows:

	<u>Terms</u>	<u>Rate</u>
Interest rate swap:		
Fixed payment to counterparty	Fixed	4.380 %
Variable payment from counterparty	% of LIBOR	<u>-1.711</u>
Net interest rate swap payments		2.669 %
Variable-rate bond coupon payments		<u>0.260</u>
Synthetic interest rate on bonds		<u><u>2.929 %</u></u>

Fair value. As of June 30, 2010, the swap had a negative fair value of \$1,273,456. The negative fair value of the swap may be countered by reductions in total interest payments required under the variable-rate bond, creating lower synthetic rates. Because the rates on the government's variable-rate bonds adjust to changing interest rates, the bonds do not have a corresponding fair value increase. The fair value model calculates future cash flows by projecting forward rates, and then discounts those cash flows at their present value.

Credit risk. As of June 30, 2010, the county was not exposed to credit risk because the swap had a negative fair value. However, should interest rates change and the fair value of the swap becomes positive, the county would be exposed to credit risk in the amount of the derivative's fair value. The swap counterparty, Morgan Keegan Financial Products (MKFP) was rated "A+" by Standard and Poor's as of June 30, 2010, with its Credit Support Provider, Deutsche Bank, rated Aa3/A+/AA- by Moody's, Standard and Poor's and Fitch, respectively.

Basis risk. As noted above, the swap exposes the county to basis risk should the bond rate increase to above 63.5 percent of LIBOR, thus increasing the synthetic rate on the bonds. If a change occurs that results in the bond rate being below 63.5 percent of LIBOR, then the synthetic rate on the bonds will decrease.

Termination risk. The derivative contract uses the International Swap Dealers Association Master Agreement, which includes standard termination events, such as failure to pay and bankruptcy. The Schedule to the Master Agreement includes an “additional termination provision.” The authority or the counterparty may terminate the swap if the other party fails to perform under the terms of the contract. If the swap is terminated, the variable-rate bond would no longer carry a synthetic interest rate. Also, if at the time of termination the swap has a negative fair value, the authority would be liable to the counterparty for a payment equal to the swap’s fair value. Likewise, if the swap has a positive fair value at termination, the counterparty would be liable to the authority for a payment equal to the swap’s fair value.

Swap payments and associated debt. As of June 30, 2010, debt service requirements of the variable-rate debt and net swap payments, assuming current interest rates remain the same, for their term were as follows. As rates vary, variable-rate bond interest payments and net swap payments will vary.

Year Ending June 30	Variable Rate Bonds		Net Interest Rate Swap		Total
	Principal	Interest	Payment		
2011	\$ 455,000	\$ 24,895	\$ 255,586	\$	735,481
2012	485,000	23,712	243,441		752,153
2013	510,000	22,451	230,495		762,946
2014	540,000	21,125	216,881		778,006
2015	575,000	19,721	202,467		797,188
2016-2020	7,010,000	69,758	716,177		7,795,935
Total	\$ 9,575,000	\$ 181,662	\$ 1,865,047	\$	11,621,709

\$10M Series IV-G-1 Swap:

The Public Building Authority of Bradley County, Tennessee, at the request of the county, has entered into an interest rate swap agreement under its Series IV-G-1 Loan Agreement.

Objective of the interest rate swap. To protect against the potential of rising interest rates and to balance its mixture of variable and fixed rate debt, the county requested the authority, on its behalf, to enter into an interest rate swap in connection with its \$10 million Series IV-G-1

variable-rate bonds. The intention of the swap was to effectively change the county’s variable interest rate on the bonds to a synthetic fixed rate. The Series IV-G-1 bonds have since been refunded with a portion of the proceeds of the Series E-6-A bonds and the interest rate swap is now associated with the Series E-6-A bonds.

Terms. Under the swap, the authority pays the counterparty a fixed payment of 4.45 percent and receives a variable payment computed as 63.5 percent of the three-month London Interbank Offered Rate (LIBOR). The swap had an original notional amount of \$10 million and the original associated variable-rate bonds had a \$10 million principal amount. At no time will the notional amount on the interest rate swap agreement exceed the outstanding principal of the Series E-6-A Bonds. The bonds’ variable-rates have historically approximated the Securities Industry and Financial Markets Association Index™ (SIFMA). The swap agreement had an effective date of December 1, 2006, and matures on June 1, 2026. As of June 30, 2010, rates were as follows:

	<u>Terms</u>	<u>Rate</u>
Interest rate swap:		
Fixed payment to counterparty	Fixed	4.450 %
Variable payment from counterparty	% of LIBOR	<u>-1.711</u>
Net interest rate swap payments		2.739 %
Variable-rate bond coupon payments		<u>0.260</u>
Synthetic interest rate on bonds		<u><u>2.999 %</u></u>

Fair value. As of June 30, 2010, the swap had a negative fair value of \$2,174,248. The negative fair value of the swap may be countered by reductions in total interest payments required under the variable-rate bond, creating lower synthetic rates. Because the rates on the government’s variable-rate bonds adjust to changing interest rates, the bonds do not have a corresponding fair value increase. The fair value model calculates future cash flows by projecting forward rates, and then discounts those cash flows at their present value.

Credit risk. As of June 30, 2010, the county was not exposed to credit risk because the swap had a negative fair value. However, should interest rates change and the fair value of the swap becomes positive, the county would be exposed to credit risk in the amount of the derivative’s fair value. The swap counterparty, Morgan Keegan Financial Products (MKFP) was rated “A+” by Standard and Poor’s as of June 30, 2010, with its Credit Support Provider, Deutsche Bank, rated Aa3/A+/AA- by Moody’s, Standard and Poor’s and Fitch, respectively.

Basis risk. As noted above, the swap exposes the county to basis risk should the bond rate increase to above 63.5 percent of LIBOR, thus increasing the synthetic rate on the bonds. If a change occurs that results in the bond rate being below 63.5 percent of LIBOR, then the synthetic rate on the bonds will decrease.

Termination risk. The derivative contract uses the International Swap Dealers Association Master Agreement, which includes standard termination events, such as failure to pay and bankruptcy. The Schedule to the Master Agreement includes an “additional termination provision.” The authority or the counterparty may terminate the swap if the other party fails to perform under the terms of the contract. If the swap is terminated, the variable-rate bond would no longer carry a synthetic interest rate. Also, if at the time of termination the swap has a negative fair value, the authority would be liable to the counterparty for a payment equal to the swap’s fair value. Likewise, if the swap has a positive fair value at termination, the counterparty would be liable to the authority for a payment equal to the swap’s fair value.

Swap payments and associated debt. As of June 30, 2010, debt service requirements of the variable-rate debt and net swap payments, assuming current interest rates remain the same, for their term were as follows. As rates vary, variable-rate bond interest payments and net swap payments will vary.

Year Ending June 30	Variable Rate Bonds		Net Interest	Total
	Principal	Interest	Rate Swap Payment	
2011	\$ 0	\$ 26,000	\$ 273,931	\$ 299,931
2012	0	26,000	273,931	299,931
2013	0	26,000	273,931	299,931
2014	0	26,000	273,931	299,931
2015	0	26,000	273,931	299,931
2016-2020	0	130,000	1,369,655	1,499,655
2021-2025	5,940,000	115,128	1,212,966	7,268,094
2026	4,060,000	10,556	111,216	4,181,772
Total	\$ 10,000,000	\$ 385,684	\$ 4,063,492	\$ 14,449,176

D. Capital Assets

Capital assets activity for the year ended June 30, 2010, was as follows:

Primary Government

Governmental Activities:

	Balance 7-1-09	Increases	Decreases	Balance 6-30-10
Capital Assets Not Depreciated:				
Land	\$ 5,891,855	\$ 56,650	\$ 0	\$ 5,948,505
Construction in Progress	138,896	119,334	0	258,230
Total Capital Assets Not Depreciated	<u>\$ 6,030,751</u>	<u>\$ 175,984</u>	<u>\$ 0</u>	<u>\$ 6,206,735</u>
Capital Assets Depreciated:				
Buildings and Improvements	\$ 31,511,718	\$ 30,000	\$ 0	\$ 31,541,718
Infrastructure	27,432,872	2,791,672	(420,131)	29,804,413
Other Capital Assets	12,097,118	1,420,547	(178,134)	13,339,531
Total Capital Assets Depreciated	<u>\$ 71,041,708</u>	<u>\$ 4,242,219</u>	<u>\$ (598,265)</u>	<u>\$ 74,685,662</u>
Less Accumulated Depreciated For:				
Buildings and Improvements	\$ 10,514,972	\$ 841,478	\$ 0	\$ 11,356,450
Infrastructure	8,463,664	899,791	(196,020)	9,167,435
Other Capital Assets	8,898,539	1,055,513	(148,715)	9,805,337
Total Accumulated Depreciation	<u>\$ 27,877,175</u>	<u>\$ 2,796,782</u>	<u>\$ (344,735)</u>	<u>\$ 30,329,222</u>
Total Capital Assets Depreciated, Net	<u>\$ 43,164,533</u>	<u>\$ 1,445,437</u>	<u>\$ (253,530)</u>	<u>\$ 44,356,440</u>
Governmental Activities Capital Assets, Net	<u>\$ 49,195,284</u>	<u>\$ 1,621,421</u>	<u>\$ (253,530)</u>	<u>\$ 50,563,175</u>

Depreciation expense was charged to functions of the primary government as follows:

Governmental Activities:

General Government	\$ 75,187
Finance	3,555
Administration of Justice	4,880
Public Safety	1,277,618
Public Health and Welfare	160,967
Social, Cultural, and Recreational Services	110,647
Agriculture and Natural Resources	2,079
Highways/Public Works	<u>1,161,849</u>
Total Depreciation Expense - Governmental Activities	<u><u>\$ 2,796,782</u></u>

Discretely Presented Bradley County School Department**Governmental Activities:**

	Balance 7-1-09	Increases	Decreases	Balance 6-30-10
Capital Assets Not Depreciated:				
Land	\$ 1,294,715	\$ 0	\$ 0	\$ 1,294,715
Construction in Progress	165,675	6,872,528	(165,675)	<u>6,872,528</u>
Total Capital Assets Not Depreciated	<u>\$ 1,460,390</u>	<u>\$ 6,872,528</u>	<u>\$ (165,675)</u>	<u>\$ 8,167,243</u>
Capital Assets Depreciated:				
Buildings and Improvements	\$ 85,353,400	\$ 2,237,373	\$ 0	\$ 87,590,773
Other Capital Assets	1,072,128	83,812	0	<u>1,155,940</u>
Total Capital Assets Depreciated	<u>\$ 86,425,528</u>	<u>\$ 2,321,185</u>	<u>\$ 0</u>	<u>\$ 88,746,713</u>
Less Accumulated Depreciated For:				
Buildings and Improvements	\$ 28,826,399	\$ 2,347,193	\$ 0	\$ 31,173,592
Other Capital Assets	760,373	88,708		<u>849,081</u>
Total Accumulated Depreciation	<u>\$ 29,586,772</u>	<u>\$ 2,435,901</u>	<u>\$ 0</u>	<u>\$ 32,022,673</u>
Total Capital Assets Depreciated, Net	<u>\$ 56,838,756</u>	<u>\$ (114,716)</u>	<u>\$ 0</u>	<u>\$ 56,724,040</u>
Governmental Activities Capital Assets, Net	<u><u>\$ 58,299,146</u></u>	<u><u>\$ 6,757,812</u></u>	<u><u>\$ (165,675)</u></u>	<u><u>\$ 64,891,283</u></u>

Depreciation expense was charged to functions of the discretely presented Bradley County School Department as follows:

Governmental Activities:

Instruction	\$ 2,347,193
Support Services	<u>88,708</u>
 Total Depreciation Expense - Governmental Activities	 <u><u>\$ 2,435,901</u></u>

E. Insurance Recoveries

During the year, Bradley County had damage to Sheriff's Department vehicles. Insurance recovery of \$14,880 was used to repair the damage.

F. Construction Commitments

Primary Government

At June 30, 2010, the General Capital Projects Fund had uncompleted construction contracts of approximately \$434,871 for asphalt and various other expenditures for a paving project. Funding has been received for these future expenditures.

At June 30, 2010, the Community Development/Industrial Park Fund had uncompleted construction contracts of approximately \$239,460 for a water and sewer line project. Funding has been received for these future expenditures.

Discretely Presented Bradley County School Department

At June 30, 2010, the General Purpose School Fund had uncompleted construction contracts of approximately \$3,283,783 for an addition to one of its high schools. Funding has been received for these future expenditures.

At June 30, 2010, the Education Capital Projects Fund had uncompleted construction contracts of approximately \$2,709,408 for construction of an elementary school. Funding has been received for these future expenditures.

G. Interfund Receivables, Payables, and Transfers

Interfund Transfers:

Interfund transfers for the year ended June 30, 2010, consisted of the following amounts:

Primary Government

Transfers Out	Transfers In		
	General Fund	General Debt Service Fund	Nonmajor Governmental Funds
General Fund	\$ 0	\$ 156,250	\$ 10,000
Nonmajor governmental funds	297,632	80,875	50,000
Total	\$ 297,632	\$ 237,125	\$ 60,000

Discretely Presented Bradley County School Department

Transfers Out	Transfers In	
	General Purpose School Fund	Nonmajor Governmental Fund
General Purpose School Fund	\$ 0	\$ 300,000
Nonmajor governmental fund	47,390	0
Total	\$ 47,390	\$ 300,000

Transfers are used to move revenues from the fund that statute or budget requires to collect them to the fund that statute or budget requires to expend them and to use unrestricted revenues collected in the General Fund to finance various programs accounted for in other funds in accordance with budgetary authorizations.

H. Capital Leases

Primary Government

On November 25, 2008, Bradley County entered into a two-year lease-purchase agreement to purchase six patrol cars. The terms of the agreement require total lease payments of \$131,519 plus interest of five percent. Title to the vehicles transfers to Bradley County at the end of the lease period. The lease payments are made by the General Fund.

On February 4, 2009, Bradley County entered into a two-year lease-purchase agreement to purchase one patrol car. The terms of the agreement require total lease payments of \$20,060 plus interest of 6.6 percent. Title to the vehicles transfers to Bradley County at the end of the lease period. The lease payments are made by the General Fund.

On December 14, 2009, Bradley County entered into a two-year lease-purchase agreement to purchase eight patrol cars. The terms of the

agreement require total lease payments of \$173,434 plus interest of 4.65 percent. Title to the vehicles transfers to Bradley County at the end of the lease period. The lease payments are made by the General Fund.

On January 13, 2010, Bradley County entered into a two-year lease-purchase agreement to purchase one patrol car. The terms of the agreement require total lease payments of \$20,302 plus interest of 6.15 percent. Title to the vehicles transfers to Bradley County at the end of the lease period. The lease payments are made by the General Fund.

The future minimum lease obligations and the net present value of the minimum lease payments as of June 30, 2010, were as follows:

Year Ending June 30	Governmental Funds
2011	\$ 120,809
2012	67,633
Total Minimum Lease Payments	\$ 188,442
Less: Amount Representing Interest	(11,859)
Present Value of Minimum Lease Payments	<u>\$ 176,583</u>

Discretely Presented Bradley County School Department

On May 18, 2007, the Bradley County School Department entered into a seven-year lease-purchase agreement to purchase an energy saving lighting system. The terms of the agreement require total lease payments of \$547,182 plus interest of 4.8 percent. Title to the lighting system transfers to the Bradley County School Department at the end of the lease period. The lease payments are made by the General Purpose School Fund.

The future minimum lease obligations and the net present value of the minimum lease payments as of June 30, 2010, were as follows:

Year Ending June 30	Governmental Funds
2011	\$ 93,880
2012	93,880
2013	93,880
2014	93,880
Total Minimum Lease Payments	\$ 375,520
Less: Amount Representing Interest	(41,076)
Present Value of Minimum Lease Payments	<u>\$ 334,444</u>

I. Long-term Debt

Primary Government

General Obligation Bonds, Notes, and Other Loans

The county issues general obligation bonds and other loans to provide funds for the acquisition and construction of major capital facilities. In addition, general obligation bonds and other loans have been issued to refund other general obligation bonds and other loans. Capital outlay notes are also issued to fund capital facilities and other capital outlay purchases, such as equipment.

General obligation bonds, capital outlay notes, and other loans are direct obligations and pledge the full faith and credit of the government. General obligation bonds, capital outlay notes and other loans outstanding were issued for original terms of up to 20 years for bonds, up to ten years for notes and up to 18 years for other loans. Repayment terms are generally structured with increasing amounts of principal maturing as interest requirements decrease over the term of the debt. All bonds, notes and other loans included in long-term debt as of June 30, 2010, will be retired from the General Debt Service Fund.

General obligation bonds, capital outlay notes, other loans, and capital leases outstanding as of June 30, 2010, for governmental activities are as follows:

Type	Interest Rate	Original Amount of Issue	Balance 6-30-10
General Obligation Bonds	5 to 5.5 %	\$ 17,550,000	\$ 17,550,000
Other Loans - Variable Rate	Variable	34,770,000	31,020,000
Other Loans - Synthetic Fixed by Swap	Variable	20,000,000	19,575,000
Other Loans	3 to 4.25	12,050,000	12,050,000
Capital Outlay Notes	0 to 5	908,340	611,193
Capital Leases	4.65 to 6.6	345,315	176,583

During the period, Bradley County, on behalf of the School Department and the City of Cleveland, issued \$17,550,000 of general obligation bonds from the Build America Bonds program. This program allows state and local governments to issue taxable bonds for capital projects and to receive a new direct federal subsidy payment from the U.S. Treasury Department for a portion of their borrowing costs. The American Recovery and Reinvestment Act of 2009 creates the new Build America Bond program, which authorizes state and local governments to issue Build America Bonds as taxable bonds in 2009 and 2010 to finance any capital expenditures for which they otherwise could issue tax-exempt government bonds. State and local governments receive a direct federal subsidy payment for a portion of their

borrowing costs on Build America Bonds equal to 35 percent of the total coupon interest paid to investors.

Bradley County has entered into various loan agreements with the Bradley County Public Building Authority (PBA) to finance various capital projects for the county and the discretely presented Bradley County School Department. Under the loan agreements, the PBA issued revenue bonds and made the proceeds available for loan to Bradley County. In addition to repaying the loans, the county pays various other fees (trustee, debt remarketing, etc.). The following table summarizes loan agreements outstanding at June 30, 2010:

Description	Original Amount of Loan Agreement	Outstanding Principal 6-30-10	Interest Type	Interest Rates as of 6-30-10	Fee Rates as of 6-30-10
Refunding:					
Series V-I-1	\$ 12,050,000	\$ 12,050,000	Fixed	3 to 4.25 %	.65%
Series VII-A-5	6,560,000	5,505,000	Variable	0.25	.706
Series E-6-A:	28,210,000	25,515,000	Variable	0.26	.69
Series IV-C-2	10,000,000	9,575,000	Synthetic Fixed by Swap	2.929	1.68
Series IV-G-1	10,000,000	10,000,000	Synthetic Fixed by Swap	2.999	1.68
Total		<u>\$ 62,645,000</u>			

The annual requirements to amortize all general obligation bonds, notes and other loans outstanding as of June 30, 2010, including interest payments, other loan fees, and direct federal subsidy are presented in the following tables:

Year Ending June 30	Bonds			
	Principal	Interest	Treasury Department Direct Subsidy	Total
2011	\$ 0	\$ 935,080	\$ (327,278)	\$ 607,802
2012	0	935,080	(327,278)	607,802
2013	0	935,080	(327,278)	607,802
2014	0	935,080	(327,278)	607,802
2015	0	935,080	(327,278)	607,802
2016-2020	0	4,675,400	(1,636,390)	3,039,010
2021-2025	8,000,000	4,097,305	(1,434,057)	10,663,248
2026-2029	9,550,000	1,594,270	(557,994)	10,586,276
Total	<u>\$ 17,550,000</u>	<u>\$ 15,042,375</u>	<u>\$ (5,264,831)</u>	<u>\$ 27,327,544</u>

Year Ending June 30	Notes		
	Principal	Interest	Total
2011	\$ 159,648	\$ 23,182	\$ 182,830
2012	169,784	16,338	186,122
2013	142,712	9,010	151,722
2014	79,049	3,224	82,273
2015	60,000	1,110	61,110
Total	<u>\$ 611,193</u>	<u>\$ 52,864</u>	<u>\$ 664,057</u>

Year Ending June 30	Other Loans			
	Principal	Interest	Other Fees	Total
2011	\$ 2,450,000	\$ 492,456	\$ 872,899	\$ 3,815,355
2012	3,535,000	486,233	837,317	4,858,550
2013	3,695,000	451,894	799,310	4,946,204
2014	3,860,000	415,909	759,666	5,035,575
2015	4,035,000	379,088	717,848	5,131,936
2016-2020	23,490,000	1,202,121	2,867,351	27,559,472
2021-2025	15,825,000	229,574	1,222,027	17,276,601
2026	5,755,000	14,963	96,454	5,866,417
Total	<u>\$ 62,645,000</u>	<u>\$ 3,672,238</u>	<u>\$ 8,172,872</u>	<u>\$ 74,490,110</u>

There is \$16,403,302 available in the General Debt Service Fund to service long-term debt. Bonded debt per capita totaled \$200, based on the 2000 federal census. Debt per capita, including bonds, notes, other loans, and capital leases, totaled \$921, based on the 2000 federal census.

Changes in Long-term Liabilities

Long-term liability activity for the year ended June 30, 2010, was as follows:

Governmental Activities:

	Bonds	Notes	Other Loans
Balance, July 1, 2009	\$ 0	\$ 445,242	\$ 64,995,000
Additions	17,550,000	240,000	0
Deductions	0	(74,049)	(2,350,000)
	<hr/>		
Balance, June 30, 2010	\$ 17,550,000	\$ 611,193	\$ 62,645,000
	<hr/>		
Balance Due Within One Year	\$ 0	\$ 159,648	\$ 2,450,000
	<hr/>		

	Capital Leases	Compensated Absences	Other Postemployment Benefits
Balance, July 1, 2009	\$ 176,075	\$ 1,187,722	\$ 1,565,047
Prior-period Adjustment	0	0	(1,544,942)
Additions	193,736	1,028,380	554,985
Deductions	(193,228)	(1,013,447)	(57,555)
	<hr/>		
Balance, June 30, 2010	\$ 176,583	\$ 1,202,655	\$ 517,535
	<hr/>		
Balance Due Within One Year	\$ 112,052	\$ 609,308	\$ 0
	<hr/>		

Compensated absences and other postemployment benefits will be paid from the employing funds, primarily the General and Highway/Public Works funds.

Analysis of Noncurrent Liabilities Presented on Exhibit A:

Total Noncurrent Liabilities, June 30, 2010	\$ 82,702,966
Less: Balances Due Within One Year	(3,331,008)
Add: Unamortized Premium on Debt	112,968
	<hr/>
Noncurrent Liabilities - Due in More Than One Year - Exhibit A	\$ 79,484,926
	<hr/>

Discretely Presented Bradley County School Department

Capital Outlay Note

Bradley County issues capital outlay notes on behalf of the School Department to provide funds for capital facilities and other capital outlay purchases, such as equipment.

Capital outlay notes are direct obligations and pledge the full faith and credit of the government. The capital outlay note was issued for an original term of seven years. Repayment terms are a fixed amount of principal and no interest over the term of the debt. The capital outlay note included in long-term debt as of June 30, 2010, will be retired from the General Purpose School Fund.

The capital outlay note and capital lease outstanding as of June 30, 2010, for governmental activities are as follows:

<u>Type</u>	<u>Interest Rate</u>	<u>Original Amount of Issue</u>	<u>Balance 6-30-10</u>
Capital Outlay Note	0 %	\$ 331,660	\$ 189,520
Capital Lease	4.8	547,182	334,444

The annual requirements to amortize the note outstanding as of June 30, 2010, are presented in the following table:

<u>Year Ending June 30</u>	<u>Note Principal</u>
2011	\$ 47,380
2012	47,380
2013	47,380
2014	47,380
Total	<u>\$ 189,520</u>

Debt per capita, including the note and the capital lease, totaled \$6, based on the 2000 federal census.

Changes in Long-term Liabilities

Long-term liability activity for the discretely presented Bradley County School Department for the year ended June 30, 2010, was as follows:

Governmental Activities:

	Note	Capital Lease
Balance, July 1, 2009	\$ 236,900	\$ 408,706
Deductions	(47,380)	(74,262)
Balance, June 30, 2010	<u>\$ 189,520</u>	<u>\$ 334,444</u>
Balance Due Within One Year	<u>\$ 47,380</u>	<u>\$ 77,826</u>

Governmental Activities:

	Other Postemployment Benefits
Balance, July 1, 2009	\$ 1,707,360
Additions	1,533,057
Deductions	<u>(653,612)</u>
Balance, June 30, 2010	<u>\$ 2,586,805</u>
Balance Due Within One Year	<u>\$ 0</u>

Analysis of Noncurrent Liabilities Presented on Exhibit A:

Total Noncurrent Liabilities, June 30, 2010	\$ 3,110,769
Less: Balances Due Within One Year	<u>(125,206)</u>
Noncurrent Liabilities - Due in More Than One Year - Exhibit A	<u>\$ 2,985,563</u>

J. On-Behalf Payments – Discretely Presented Bradley County School Department

The State of Tennessee pays health insurance premiums for retired teachers on-behalf of the Bradley County School Department. These payments are made by the state to the Local Education Group Insurance Plan and the Medicare Supplement Plan. Both of these plans are administered by the State of Tennessee and reported in the state's Comprehensive Annual Financial Report. Payments by the state to the Local Education Group Insurance Plan and the Medicare Supplement Plan for the year ended June 30, 2010, were \$397,574 and \$49,720, respectively. The School Department has recognized these on-behalf payments as revenues and expenditures in the General Purpose School Fund.

V. OTHER INFORMATION

A. Risk Management

Primary Government

Bradley County's risks of loss relating to general liability, property, casualty, and workers' compensation are covered by participation in public entity risk pools. The county is a member of the Local Government Property and Casualty Fund (LGPCF), which is a public entity risk pool established by the Tennessee County Services Association, an association of member counties. The county pays an annual premium to the LGPCF for its general liability, property, and casualty insurance coverage. The creation of the LGPCF provides for it to be self-sustaining through member premiums. The LGPCF reinsures through commercial insurance companies for claims exceeding \$100,000 for each insured event.

Bradley County participated in the Local Government Group Insurance Fund; however, beginning July 1, 2009, the county decided to provide commercial health insurance coverage to its employees. Settled claims have not exceeded this commercial coverage over the past fiscal year.

Discretely Presented Bradley County School Department

The School Department's risks of loss relating to general liability, property, casualty, and workers' compensation are covered by participation in public entity risk pools. The School Department is a member of the Tennessee Risk Management Trust (TN-RMT), which is a public entity risk pool created under the auspices of the Tennessee Governmental Tort Liability Act to provide governmental insurance coverage. The School Department pays annual premiums to the TN-RMT for its general liability, property, casualty, and workers' compensation insurance coverage. The creation of the TN-RMT provides for it to be self-sustaining through member premiums.

The School Department participates in the Local Education Group Insurance Fund (LEGIF), a public entity risk pool established to provide a program of health insurance coverage for employees of local education agencies. In accordance with Section 8-27-301, Tennessee Code Annotated (TCA), all local education agencies are eligible to participate. The LEGIF is included in the Comprehensive Annual Financial Report of the State of Tennessee, but the state does not retain any risk for losses by this fund. Section 8-27-303, TCA, provides for the LEGIF to be self-sustaining through member premiums.

B. Accounting Changes

Provisions of Governmental Accounting Standards Board (GASB) Statement No. 51, Accounting and Financial Reporting for Intangible Assets; and Statement No. 53, Accounting and Financial Reporting for Derivative Instruments became effective for the year ended June 30, 2009.

GASB Statement No. 51 establishes accounting and financial reporting requirements for intangible assets. Intangible assets have three characteristics: lack of physical substance, nonfinancial in nature, and a useful life that extends beyond a single reporting period. Assets that have these characteristics and are identifiable to the government should be recorded as capital assets and amortized over their useful lives. Easements, water rights, patents, and computer software are examples of intangible assets that should be recognized under GASB Statement No. 51. Bradley County and the Bradley County School Department had no assets that met the definition of intangible assets at June 30, 2010. However, it is reasonably expected that Bradley County and the School Department may acquire intangible assets in subsequent years.

GASB Statement No. 53 addresses the recognition, measurement, and disclosure of information regarding derivative instruments entered into by county governments. Derivative instruments are financial arrangements used by governments as investments; hedges against identified financial risks; or to lower the costs of borrowings. Interest rate swaps and locks, options, swaptions, forward contracts, and futures contracts are among the commonly used types of derivatives mentioned in GASB Statement No. 53. Derivative instruments associated with fluctuating financial and commodity prices result in changing cash flows and fair values that can be used as effective risk management or investment tools. For the same reasons, derivative instruments can expose governments to significant risks and liabilities. The requirements of GASB Statement No. 53 are intended to help users of financial information evaluate the effectiveness and associated risks involved with Bradley County's derivative transactions. GASB Statement No. 53 requires most derivatives to be reported at fair value in the Statement of Net Assets. Changes in fair value for derivative instruments that are intended for investment purposes or that are reported like investment derivative instruments because of ineffectiveness are reported as investment revenues in the Statement of Activities. Alternatively, the changes in fair value of derivative instruments that are classified as hedging (i.e. effective) derivative instruments are reported in the Statement of Net Assets as deferrals. Notes IV.C., Derivative Instruments; and IV.I., Long-term Debt; describe derivative transactions of Bradley County as of and for the year ended June 30, 2010.

C. Subsequent Events

On August 31, 2010, Raymond Swafford left the Office of Register and was succeeded by Dina Swafford, and Tim Gobble left the Office of Sheriff and was succeeded by James Ruth.

On September 1, 2010, the county's General Debt Service Fund issued a \$2,000,000 tax anticipation note to the General Fund for temporary operating funds.

D. Contingent Liabilities

The county is involved in several pending lawsuits. Attorneys for the county estimate that the potential claims against the county not covered by insurance resulting from such litigation would not materially affect the financial statements of the county.

In prior years, a citizen agreed to pay principal and interest on capital projects at various schools in the county to Bradley County until June 1, 2016. In January 2009, this citizen filed for Chapter 11 bankruptcy. This citizen has contributed over \$1,000,000 to the county for these projects since 2005. The county believes there is approximately \$2,000,000 remaining in pledged amounts on the principal for these projects as of June 30, 2010. We are unable to determine if this citizen will make any other payments on these projects. In the event that no payments are received, the county will make the principal and interest payments for these projects.

E. Landfill Closure and Postclosure Care Cost

Bradley County has active permits on file with the state Department of Environment and Conservation for a sanitary landfill and a demolition landfill. The county has provided financial assurances for estimated closure and postclosure liabilities as required by the State of Tennessee. These financial assurances are on file with the Department of Environment and Conservation.

State and federal laws and regulations require the county to place a final cover on its landfill site when it stops accepting waste and to perform certain maintenance and monitoring functions at the site for 30 years after closure. Closure costs generally are paid near the date that the landfill stops accepting waste and postclosure care costs are paid during the 30-year period following closure. Bradley County has contracted with Santek Environmental, Inc., of Bradley County, a private company, to operate the county's landfill. This contract was amended on December 1, 1999, and again on September 23, 2005, and requires Santek to be responsible for all closure and postclosure care costs of the county's landfill during the term of the contract. The term of the 2005 amendment to the contract is the estimated life of the landfill – approximately 55.2 years based on current usage – and the life of additional cells that might be opened in the future. The \$1,151,240 estimated closure and postclosure costs of the landfill at June 30, 2010, were not included in the county's long-term debt due to the uncertainty of what amount, if any, will be paid by the county. This amount is based on estimates of what it would cost to perform all closure and postclosure care in 2010. Actual costs may be higher due to inflation, changes in technology, or changes in regulations.

F. Joint Ventures

The Bradley County Emergency Communications District (also known as the Cleveland/Bradley Communications Center) is a joint venture in which the county and the cities of Cleveland and Charleston participate. The district provides a simplified means of securing emergency services through a uniform emergency number for the residents of Bradley County. The governing body of the district includes three members appointed by the county mayor, subject to confirmation by the Bradley County Commission, the Cleveland City Council, and eight ex-officio members, who are employees of the cities of Cleveland and Charleston involved in emergency response management. Before the issuance of most debt instruments, the district must obtain the approval of the Bradley County Commission and the Cleveland City Council. The center is funded through a service charge levied on telephone services and appropriations from the cities and county. During the year ended June 30, 2010, the county appropriated an operating subsidy of \$450,000 to the district.

The Hiwassee Utilities Commission is a joint venture that is operated by Bradley and McMinn counties. The commission is governed by a six-member board that is appointed by the participating governments. Bradley County and McMinn County are contingently liable for certain revenue bonds of the Hiwassee Utilities Commission. On October 18, 2007, the Hiwassee Utilities Commission issued \$12,000,000 in public improvement bonds. The principal of these bonds is reflected on the financial statements of the Hiwassee Utilities Commission. Bradley County would become liable for one-half of these bonds and the interest thereon in the event of default by the Hiwassee Utilities Commission. As of June 30, 2010, future principal and interest requirements, which Bradley County would be liable for, were \$5,847,500 and \$5,793,050, respectively. Bradley County made no contributions to the Hiwassee Utilities Commission for the year ended June 30, 2010.

The Tenth Judicial District Drug Task Force (DTF) is a joint venture formed by an interlocal agreement between the district attorney general of the Tenth Judicial District and the municipalities within the district. The district is composed of Bradley, McMinn, Monroe, and Polk counties and various cities within these counties. The purpose of the DTF is to provide multi-jurisdictional law enforcement to promote the investigation and prosecution of drug-related activities. Funds for the operations of the DTF come primarily from federal grants, drug fines, and the forfeiture of drug-related assets to the DTF. The DTF is overseen by the district attorney general and is governed by a Board of Directors that includes the district attorney general, sheriffs, and police chiefs of the participating law enforcement agencies within the judicial district. Bradley County made no contributions to the DTF for the year ended June 30, 2010.

Bradley County does not have equity interests in any of the above-noted joint ventures. Complete financial statements for the Bradley County Emergency Communications District, the Hiwassee Utilities Commission, and the Tenth

Judicial District Drug Task Force can be obtained from their administrative offices at the following addresses:

Administrative Offices:

Bradley County Emergency Communications District
1555 Guthrie Drive North West
Cleveland, TN 37312

Hiwassee Utilities Commission
3973 Chatata Valley Road
Charleston, TN 37310

District Attorney General
Tenth Judicial District
130 Washington Avenue North East, Suite 1
Athens, TN 37371

G. Jointly Governed Organization

Bradley County, in conjunction with McMinn, Monroe, and Polk counties, participates in the Southeast Tennessee Community Corrections Program. The program's 20-member board comprises the county mayor and the sheriff of each of the four counties, the district attorney general, one member from a nonprofit organization, and ten members from the private sector who are appointed by the board. The program provides alternative sentencing for selected nonviolent offenders and is funded by the Tennessee Department of Correction. The counties that participate in the program do not have any ongoing financial interest or responsibility for the program.

H. Retirement Commitments

Employees

Plan Description

Employees of Bradley County are members of the Political Subdivision Pension Plan (PSPP), an agent multiple-employer defined benefit pension plan administered by the Tennessee Consolidated Retirement System (TCRS). TCRS provides retirement benefits as well as death and disability benefits. Benefits are determined by a formula using the member's high five-year average salary and years of service. Members become eligible to retire at the age of 60 with five years of service or at any age with 30 years of service. A reduced retirement benefit is available to vested members at the age of 55. Disability benefits are available to active members with five years of service who become disabled and cannot engage in gainful employment. There is no service requirement for disability that is the result of an accident or injury occurring while the member was in the performance of duty. Members joining the system after July 1, 1979, become vested after five years

of service, and members joining prior to July 1, 1979, were vested after four years of service. Benefit provisions are established in state statute found in Title 8, Chapters 34-37 of Tennessee Code Annotated. State statutes are amended by the Tennessee General Assembly. Political subdivisions such as Bradley County participate in the TCRS as individual entities and are liable for all costs associated with the operation and administration of their plan. Benefit improvements are not applicable to a political subdivision unless approved by the chief governing body.

The TCRS issues a publicly available financial report that includes financial statements and required supplementary information for the PSPP. That report may be obtained by writing to the Tennessee Treasury Department, Consolidated Retirement System, 10th Floor, Andrew Jackson Building, Nashville, TN 37243-0230 or can be accessed at www.tn.gov/treasury/tcrs/PS.

Funding Policy

Bradley County has adopted a noncontributory retirement plan for its employees by assuming employee contributions up to five percent of annual covered payroll. The county is required to contribute at an actuarially determined rate; the rate for the fiscal year ended June 30, 2010, was 13.23 percent of annual covered payroll. The contribution requirement of plan members is set by state statute. The contribution requirement for Bradley County is established and may be amended by the TCRS Board of Trustees.

Annual Pension Cost

For the year ended June 30, 2010, Bradley County's annual pension cost of \$3,160,453 to TCRS was equal to the county's required and actual contributions. The required contribution was determined as part of the July 1, 2007, actuarial valuation using the frozen entry age actuarial cost method. Significant actuarial assumptions used in the valuation include (a) rate of return on investment of present and future assets of 7.5 percent a year compounded annually, (b) projected salary increases of 4.75 percent (graded) annual rate (no explicit assumption is made regarding the portion attributable to the effects of inflation on salaries), (c) projected 3.5 percent annual increase in the Social Security wage base, and (d) projected post retirement increases of three percent annually. The actuarial value of assets was determined using techniques that smooth the effect of short-term volatility in the market value of total investments over a five-year period. Bradley County's unfunded actuarial accrued liability is being amortized as a level dollar amount on a closed basis. The remaining amortization period at July 1, 2007, was nine years. An actuarial valuation was performed as of July 1, 2009, which established contribution rates effective July 1, 2010.

Trend Information

Fiscal Year Ended	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
6-30-10	\$3,160,453	100%	\$0
6-30-09	3,123,521	100	0
6-30-08	2,969,309	100	0

Funded Status and Funding Progress

As of July 1, 2009, the most recent actuarial valuation date, the plan was 82.72 percent funded. The actuarial accrued liability for benefits was \$58.39 million, and the actuarial value of assets was \$48.3 million, resulting in an unfunded actuarial accrued liability (UAAL) of \$10.09 million. The covered payroll (annual payroll of active employees covered by the plan) was \$25.1 million, and the ratio of the UAAL to the covered payroll was 40.19 percent.

The Schedule of Funding Progress, presented as required supplementary information following the notes to the financial statements, presents multi-year trend information about whether the actuarial values of plan assets are increasing or decreasing over time relative to the actuarial accrued liability for benefits.

The annual required contribution was calculated using the aggregate actuarial cost method. Since the aggregate actuarial cost method does not identify or separately amortize unfunded actuarial liabilities, information about funded status and funding progress has been prepared using the entry age actuarial cost method for that purpose, and this information is intended to serve as a surrogate for the funded status and funding progress of the plan.

School Teachers

Plan Description

The Bradley County School Department contributes to the State Employees, Teachers, and Higher Education Employees Pension Plan (SETHEEPP), a cost-sharing multiple-employer defined benefit pension plan administered by the Tennessee Consolidated Retirement System (TCRS). TCRS provides retirement benefits as well as death and disability benefits to plan members and their beneficiaries. Benefits are determined by a formula using the member's high five-year average salary and years of service. Members become eligible to retire at the age of 60 with five years of service or at any age with 30 years of service. A reduced retirement benefit is available to vested members who are at least 55 years of age or have 25 years of service. Disability benefits are available to active members with five years of service

who become disabled and cannot engage in gainful employment. There is no service requirement for disability that is the result of an accident or injury occurring while the member was in the performance of duty. Members joining the plan on or after July 1, 1979, are vested after five years of service. Members joining prior to July 1, 1979, are vested after four years of service. Benefit provisions are established in state statute found in Title 8, Chapters 34-37 of Tennessee Code Annotated. State statutes are amended by the Tennessee General Assembly. A cost of living adjustment (COLA) is provided to retirees each July based on the percentage change in the Consumer Price Index (CPI) during the previous calendar year. No COLA is granted if the CPI increases less than one-half percent. The annual COLA is capped at three percent.

The TCRS issues a publicly available financial report that includes financial statements and required supplementary information for the SETHEPP. That report may be obtained by writing to the Tennessee Treasury Department, Consolidated Retirement System, 10th Floor, Andrew Jackson Building, Nashville, TN 37243-0230 or can be accessed at www.tn.gov/treasury/tcrs/Schools.

Funding Policy

Most teachers are required by state statute to contribute five percent of their salaries to the plan. The employer contribution rate for the Bradley County School Department is established at an actuarially determined rate. The employer rate for the fiscal year ended June 30, 2010, was 6.42 percent of annual covered payroll. The employer contribution requirement for the Bradley County School Department is established and may be amended by the TCRS Board of Trustees. The employer's contributions to TCRS for the years ended June 30, 2010, 2009, and 2008, were \$2,238,374, \$2,189,217, and \$2,054,151, respectively, equal to the required contributions for each year.

I. Other Postemployment Benefits (OPEB)

Plan Description

Bradley County employees, who retired prior to July 1, 2009, and the School Department participate in the state-administered Local Government Group Insurance Plan and the Local Education Group Insurance Plan for healthcare benefits. For accounting purposes, the plans are agent multiple-employer defined benefit OPEB plans. Benefits are established and amended by an insurance committee created by Section 8-27-207, Tennessee Code Annotated (TCA), for local governments and Section 8-27-302, TCA, for local education employees. Prior to reaching the age of 65, all members have the option of choosing a preferred provider organization (PPO), point of service (POS), or health maintenance organization (HMO) plan for healthcare benefits. Subsequent to age 65, members who are also in the state's retirement system may participate in a state-administered Medicare Supplement Plan that does not include pharmacy. The plans are reported in

the State of Tennessee Comprehensive Annual Financial Report (CAFR). The CAFR is available on the state's website at <http://tn.gov/finance/act/cafr.html>.

Funding Policy

The premium requirements of plan members are established and may be amended by the insurance committee. The plans are self-insured and financed on a pay-as-you-go basis with the risk shared equally among the participants. Claims liabilities of the plan are periodically computed using actuarial and statistical techniques to establish premium rates. The employers in each plan develop a contribution policy in terms of subsidizing active employees or retired employees' premiums since the committee is not prescriptive on that issue. The state does not provide a subsidy for local government participants; however, the state does provide a partial subsidy to Local Education Agency pre-65 teachers. Currently there are no Bradley County retirees' who contribute to their insurance. School Department retirees' contributions vary depending on the insurance options they select, ranging from \$0 to \$594 per month for their insurance. Bradley County and the School Department recognized expenditures of \$10,628 and \$653,612 respectively, for postemployment health care during the year ended June 30, 2010.

	Local Government Group Plan	Local Education Group Plan
	<hr/>	<hr/>
ARC	\$ 19,000	\$ 1,529,000
Interest on the NPO	905	76,831
Adjustment to the ARC	(857)	(72,774)
Annual OPEB cost	\$ 19,048	\$ 1,533,057
Amount of contribution	(10,628)	(653,612)
Increase/decrease in NPO	\$ 8,420	\$ 879,445
Net OPEB obligation, 7-1-09	1,565,047	1,707,360
Prior-period Adjustment	(1,544,942)	0
Net OPEB obligation, 6-30-10	<hr/> <hr/> \$ 28,525	<hr/> <hr/> \$ 2,586,805

Fiscal Year Ended	Plans	Annual OPEB Cost	Percentage of Annual OPEB Cost Contributed	Net Adjusted Obligation at Year End
6-30-08	Local Education Group	\$ 1,492,000	43.16%	\$ 848,110
6-30-09	"	1,510,019	43.10	1,707,360
6-30-10	"	1,533,057	42.63	2,586,805
6-30-08	Local Government Group	867,000	10.13	779,179
6-30-09	"	874,936	10.18	20,105
6-30-10	"	19,048	55.79	28,525

The funded status of the plan as of June 30, 2010, was as follows:

	Local Education Group Plan	Local Government Group Plan
Actuarial valuation date	7-1-09	7-1-09
Actuarial accrued liability (AAL)	\$ 13,750,000	\$ 237,000
Actuarial value of plan assets	\$ 0	\$ 0
Unfunded actuarial accrued liability (UAAL)	\$ 13,750,000	\$ 237,000
Actuarial value of assets as a % of the AAL	0%	0%
Covered payroll (active plan members)	\$ 42,374,854	\$ 0
UAAL as a % of covered payroll	32.45%	0%

Actuarial valuations involve estimates of the value of reported amounts and assumptions about the probability of events far into the future, and actuarially determined amounts are subject to continual revision as actual results are compared to past expectations and new estimates are made about the future. The Schedule of Funding Progress, presented as required supplementary information following the notes to the financial statements, presents multi-year trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liability for benefits.

Actuarial Methods and Assumptions

Calculations are based on the types of benefits provided under the terms of the substantive plan at the time of each valuation and on the pattern of sharing of costs between the employer and plan members to that point. Actuarial calculations reflect a long-term perspective. Consistent with that perspective, actuarial methods and assumptions used include techniques that are designed to reduce short-term volatility in actuarial accrued liabilities and the actuarial value of assets.

In the July 1, 2009, actuarial valuation, the projected unit credit actuarial cost method was used and the actuarial assumptions included a 4.5 percent investment rate of return (net of administrative expenses). The annual healthcare cost trend rate for the Local Education Group Plan was four percent for fiscal year 2010. The trend will rise to ten percent in fiscal year 2011 and then will be reduced by decrements to an ultimate rate of five percent by fiscal year 2021. The annual health care cost trend rate for the Local Government Group Plan was three percent for fiscal year 2010. The trend will rise to ten percent in fiscal year 2011 and then will be reduced by decrements to an ultimate rate of five percent by fiscal year 2021. The unfunded actuarial accrued liability is being amortized as a level percentage of payroll on a closed basis over a 30-year period beginning with June 30, 2008.

Primary Government – Commercial Healthcare Plan

Plan Description

Effective July 1, 2009, Bradley County changed its healthcare from the Local Government Group Plan to a self-insured/commercial healthcare benefits plan administered by Cigna. For accounting purposes, the plan is a single-employer defined benefit OPEB plan. Benefits are established and amended by an insurance committee established by the County Commission.

Funding Policy

The premium requirements of plan members are established and may be amended by the insurance committee. The plan is self-insured/purchased commercially and financed on a pay-as-you-go basis. Claims liabilities of the plan are periodically computed using actuarial and statistical techniques to establish premium rates. The county develops its own contribution policy in terms of subsidizing active employees or retired employees' premiums. Eligible employees must earn 25 years of service for a 50 percent county paid subsidy or 30 years of service for a 100 percent county paid subsidy until the age of 65 when they become eligible for Medicare. Employees may continue medical coverage upon retirement with less than 25 years of service; however, such employee would be required to pay the full group premium rate. The retiree's spouse is eligible while the retiree is eligible for coverage until the spouse's age of 65. Although a formal written policy is not in place, it is assumed that spouses are eligible to continue coverage until age 65.

Annual OPEB Cost and Net OPEB Obligation

	Primary Government Commercial Plan
ARC	\$ 535,937
Interest on the NPO	0
Adjustment to the ARC	0
Annual OPEB cost	\$ 535,937
Less amount of contribution	(46,927)
Increase/decrease in NPO	\$ 489,010
Net OPEB obligation, 7-1-09	0
Net OPEB obligation, 6-30-10	\$ 489,010

Fiscal Year Ended*	Plan	Annual OPEB Cost	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation at Year End
6-30-10	Commercial	\$ 535,937	8.76%	\$ 489,010

* Data not available for two preceding years.

Funded Status and Funding Progress

The funded status of the plan as of June 30, 2010, was as follows:

	Primary Government Commercial Plan
Actuarial valuation date	7-1-10
Actuarial accrued liability (AAL)	\$ 3,730,894
Actuarial value of plan assets	\$ 0
Unfunded actuarial accrued liability (UAAL)	\$ 3,730,894
Actuarial value of assets as a % of the AAL	0%
Covered payroll (active plan members)	\$ 19,046,151
UAAL as a % of covered payroll	19.58%

Actuarial valuations involve estimates of the value of reported amounts and assumptions about the probability of events far into the future, and actuarially determined amounts are subject to continual revision as actual

results are compared to past expectations and new estimates are made about the future. The Schedule of Funding Progress, presented as required supplementary information following the notes to the financial statements, presents multi-year trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liability for benefits.

Actuarial Methods and Assumptions

Calculations are based on the types of benefits provided under the terms of the substantive plan at the time of each valuation and on the pattern of sharing of costs between the employer and plan members to that point. Actuarial calculations reflect a long-term perspective. Consistent with that perspective, actuarial methods and assumptions used include techniques that are designed to reduce short-term volatility in actuarial accrued liabilities and the actuarial value of assets.

In the July 1, 2010, actuarial valuation, the projected unit credit actuarial cost method was used. The actuarial assumptions included a 4.5 percent investment rate of return (net of administrative expenses) and an annual healthcare cost trend rate of eight percent initially, reduced by decrements to an ultimate rate of five percent after six years. Both rates include a three percent inflation assumption. The unfunded actuarial accrued liability is being amortized as a level percentage of payroll on a closed basis over a 30-year period beginning with July 1, 2009.

J. Termination Benefits

The discretely presented Bradley County School Department offers a retirement incentive to employees who retire with at least five years of service with the School Department and 28 years of service with the Tennessee Consolidated Retirement System (TCRS). In accordance with contract provisions, eligible retirees can choose either the retirement incentive or the postemployment health insurance benefits noted above. The retirement incentive consists of a one-time cash payment between \$4,000 and \$10,000 depending on the employee's creditable service with TCRS. These payments are made only when employees choose to accept the incentive. During the year ended June 30, 2010, no School Department employee chose to accept the retirement incentive; therefore, the total cost of the cash payments reported in the government-wide Statement of Net Assets by function was zero.

K. Purchasing Laws

Office of County Mayor

Purchasing procedures for the County Mayor's Office are governed by provisions of Chapter 313, Private Acts of 1951, as amended. This statute provides for the county mayor to serve as purchasing agent and for all

purchases exceeding \$5,000 to be made only after competitive bids have been received from two or more suppliers.

Office of Road Superintendent

Purchasing procedures for the Highway Department are governed by provisions of Chapter 354, Private Acts of 1947, and the Uniform Road Law, Section 54-7-113, Tennessee Code Annotated (TCA), which provide for the Road Superintendent to make all purchases and for all purchases exceeding \$10,000 to be made after public advertisement and solicitation of competitive bids.

Office of Director of Schools

Purchasing procedures for the discretely presented Bradley County School Department are governed by purchasing laws applicable to schools as set forth in Section 49-2-203, TCA, which provides for the county Board of Education, through its executive committee (director of schools and the chairman of the Board of Education), to make all purchases. This statute also requires that competitive bids be solicited through newspaper advertisement on all purchases exceeding \$10,000.

VI. OTHER NOTES - DISCRETELY PRESENTED BRADLEY HEALTHCARE AND REHABILITATION CENTER

A. Summary of Significant Accounting Policies

1. Reporting Entity

Bradley Healthcare and Rehabilitation Center is a component unit of Bradley County, Tennessee. The nursing center's Board of Trustees is appointed by the Bradley County Commission. Capital projects are funded primarily from general obligation bonds of the county.

2. Nature of Operations

The nursing center is principally engaged in providing long-term medical and therapeutic care to elderly residents of Bradley County and the surrounding areas.

3. Basis of Accounting

The nursing center is accounted for as an enterprise fund. Revenues are recorded when earned, and expenses are recognized when incurred using the economic resources measurement focus. Based on Governmental Accounting Standards Board (GASB) Statement No. 20, Accounting and Financial Reporting for Proprietary Funds and Other Governmental Entities That Use Proprietary Fund Accounting, as amended, the nursing center has elected to apply the provisions of all

relevant pronouncements of the Financial Accounting Standards Board (FASB) issued after November 30, 1989.

4. Use of Estimates

The preparation of financial statements in conformity with United States generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

5. Income Taxes

The Internal Revenue Service has ruled that the nursing center, as a component unit of Bradley County, is an exempt organization as described in Section 501(a) of the Internal Revenue Code; therefore, no provision for income taxes is provided in the financial statements.

6. Patient Service Revenue

Patient service revenue is reported at the nursing center's estimated net realizable amounts from residents, third-party payers, and others for services rendered.

Retroactively calculated contractual adjustments arising under reimbursement agreements with third-party payers are accrued on an estimated basis in the period the related services are rendered and adjusted in future periods as final settlements are determined.

7. Cash Equivalents

For purposes of the Statement of Cash Flows, the nursing center considers all highly liquid investments with an original maturity of three months or less when purchased to be cash equivalents. Limited use assets include cash held for patients and are not considered cash equivalents for purposes of the Statement of Cash Flows as they are not the property of the nursing center and can only be used at the direction of the patient. The nursing center also holds limited use assets that are restricted by donors for specific purposes that are not considered cash equivalents until the specifications are met. These items are not considered cash equivalents until they are transferred to unrestricted net assets.

8. Inventories

Inventories are stated at the lower of cost (first-in, first-out) or market.

9. Property and Equipment

Property and equipment are recorded at cost. Depreciation is provided over the estimated useful lives of the depreciable assets, ranging from five to 40 years, using the straight-line method.

10. Compensated Absences

Accumulated paid time off is accrued when earned.

11. Net Assets

Net assets of the nursing center are classified in four components. Net assets invested in capital assets consist of property and equipment net of accumulated depreciation and reduced by any outstanding borrowings used to finance the purchase or construction of those assets. There was no outstanding debt for property and equipment. Temporarily restricted net assets are subject to donor imposed restrictions that may or will be met, whether by action of the nursing center or the passage of time. When a restriction expires, temporarily restricted net assets for which the restricted purpose is related to the nursing center are reclassified to unrestricted net assets and reported in the statement of operations as net assets released from restrictions. Permanently restricted net assets are subject to donor-imposed stipulations that they be maintained permanently by the nursing center. Generally, the donors of permanently restricted net assets permit the nursing center to use all or part of the income earned on any related investment for general or specific purpose. Unrestricted net assets are the remaining net assets that do not meet the definition of net assets invested in capital assets or restricted net assets.

B. Custodial Credit Risk

Custodial credit risk is the risk that in the event of a bank failure, the nursing center's deposits may not be returned to it. The nursing center's deposits are made to a local bank that participates in the Tennessee Bank Collateral Pool (the "Pool"), a multi-entity risk pool that assumes the burden of collateralizing public funds on deposit with local banks. The Treasury Department of the State of Tennessee administers the pool. The Treasury Department, using uniform procedures, centralizes the collateralization of public funds. The funds in the pool are collateralized at 105 percent of the face amount of the deposits uninsured by the Federal Deposit Insurance Corporation (the "FDIC"). All deposits are either insured by the FDIC or through the pool resulting in no custodial credit risk.

C. Inventories

Inventories consist of the following:

General stores	\$ 24,811
Foods and dietary	9,470
Enteral feeding supplies	<u>1,206</u>
 Total	 <u><u>\$ 35,487</u></u>

D. Assets Whose Use is Limited

Assets whose use is limited are as follows:

Patient trust funds	\$ 93,968
Scholarship fund	13,426
Activities fund	1,157
Chapel fund	677
Country store fund	3,068
Endowment fund	<u>110,721</u>
 Total	 <u><u>\$ 223,017</u></u>

These assets represent cash and certificates of deposit with a local financial institution. The patient trust funds are patients' personal assets and are reflected in the financial statements as both an asset and a liability. The Scholarship, Activities, Chapel, Country Store, and Citizen's Endowment funds represent restricted cash and are shown on the balance sheet as both limited use assets and restricted net assets.

E. Property and Equipment

Property and equipment consist of the following:

	Balance 7-1-09	Increases/ Decreases	Balance 6-30-10
Land	\$ 1,250	\$ 0	\$ 1,250
Land Improvements	332,699	11,862	344,561
Buildings	5,254,322	147,432	5,401,754
Fixed Equipment	852,949	0	852,949
Major Movable	1,661,678	28,775	1,690,453
Computer Software	42,695	1,000	43,695
Computer Hardware	106,006	5,083	111,089
Vehicles	106,444	0	106,444
Total	<u>\$ 8,358,043</u>	<u>\$ 194,152</u>	<u>\$ 8,552,195</u>
Less: Accumulated Depreciation	<u>(5,556,795)</u>	<u>(294,451)</u>	<u>(5,851,246)</u>
 Property and Equipment, Net	 <u><u>\$ 2,801,248</u></u>	 <u><u>\$ (100,299)</u></u>	 <u><u>\$ 2,700,949</u></u>

F. Permanently Restricted Net Assets

Assets whose use is permanently restricted are as follows:

Scholarship	\$ 12,000
Citizens' Endowment Fund	<u>110,000</u>
Total	<u>\$ 122,000</u>

Citizens' Endowment Fund

On December 27, 2005, the trustees of the nursing center took over control of the Bradley Memorial Hospital Citizens' Endowment Fund. The fund was originally established at the bequest of a private citizen to provide a source of income for the Bradley Memorial Hospital. On October 14, 2005, the hospital was sold to a private entity, and in accordance with the terms of the hospital's Declaration of Trust, the assets of the fund were required to be transferred to another county-owned entity. The trustees of the nursing center took over management of the fund by executing a separate Declaration of Trust dated December 27, 2005. Should the nursing center be sold to a private entity, these funds are to be transferred to the Cleveland Public Library.

Donations may be made to the fund and designated as either restricted or unrestricted. No part of the original principal of the fund shall be expended; it should be invested and reinvested by the nursing center's trustees at a financial institution in Bradley County, Tennessee, and be fully insured by a federal agency. All income of the fund must be used for exempt purposes under federal tax laws and regulations applicable to the fund.

Scholarship Fund

The Scholarship Fund was established by a former medical director of the nursing center as a memorial to his sister. The corpus of the fund is to be held in a certificate of deposit with the earnings to be used to fund scholarships for nursing center employees who desire to pursue a career in nursing. The fund is administered by the trustees through the nursing center's management.

G. Patient Service Revenue

Medicare

The nursing center is paid for by Medicare patients under a prospective payment system that bases payment on categories that are indicative of the amount of resources used to treat the specific patient. The category is determined based on periodic clinical assessments of the patient's functional ability.

Medicaid

Services rendered to Medicaid recipients are reimbursed at per day rates determined by the Tennessee Comptroller's Office. The rates are subject to ceilings for both skilled and intermediate care. The per day rate is established prospectively, based on the prior year's cost report.

A summary of gross and net patient revenues for the year ended June 30, 2010, follows:

Medicare	\$	2,273,244
Medicaid		8,472,271
Other		<u>1,094,635</u>
Gross Patient Service Revenues	\$	11,840,150
Contractual Adjustments and Uncollectible Accounts		<u>232,565</u>
Net Patient Service Revenue	\$	<u><u>12,072,715</u></u>

H. Accrued Leave

The nursing center has an all-purpose paid time off (PTO) policy. Employees who work 30 hours or more per week are eligible to earn and use PTO. Vacation is accrued using a formula based on length of employment at the nursing center. Accrued but unpaid vacation benefits at June 30, 2010, were \$230,338 and are included in accrued payroll as a current liability.

I. Pension Plan

The nursing center sponsors a 403(b) salary deferral plan for the benefit of its employees. Under the plan, employees are allowed to defer a portion of their earnings up to certain maximum amounts. The nursing center matches the employee contributions at the amount deferred up to four percent. The employer match totaled \$51,861 at June 30, 2010. There was no unpaid liability at June 30, 2010.

J. Commitments and Contingencies

The nursing center is insured for professional liability under a claims-made policy with an independent insurance carrier. The policy covers all claims reported to the carrier for incidents that occur during the coverage period. The coverage period coincides with the nursing center's fiscal year. Coverages were renewed at July 2010, rendering the need for tail coverage unnecessary. Premiums are determined by a variety of factors related to the nursing center.

Leases that do not meet the criteria for capitalization are classified as operating leases with the related rentals charged to operations as incurred.

The following is a schedule by year of future minimum lease payments under operating leases as of June 30, 2010, that have initial or remaining terms of one year or more.

Year Ending June 30	Minimum Lease Payments
2011	\$ 10,104
2012	6,948
2013	6,948
2014	<u>6,948</u>
Total Minimum Lease Payments	<u>\$ 30,948</u>

Total rental expense for all operating leases was \$31,144 for 2010, and is included in the general services expense classification.

K. Risk Financing and Related Insurance Issues

The nursing center is subject to the risks of torts by its employees; theft, destruction or damage to its fixed assets; business interruptions; errors or omissions; injury or illness of employees while in the course of their employment and acts of nature, such as fires, floods, and earthquakes. The nursing center insures itself against losses due to this exposure through the purchase of commercial liability and workers' compensation insurance from reputable insurers. There have been no substantial losses incurred in prior years, and the amount of coverage purchased has not been reduced. Management is unaware of any potential claims that would result in reductions to or cancellation of coverage by the insurer.

L. Subsequent Events

As required by FASB Statement No. 165 Subsequent Events, subsequent events for the Nursing Center have been evaluated through the financial statements date of issuance.

**REQUIRED SUPPLEMENTARY
INFORMATION**

Exhibit E-1

Bradley County, Tennessee
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Actual (Budgetary Basis) and Budget
General Fund
For the Year Ended June 30, 2010

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2009	Add: Encumbrances 6/30/2010	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Budgeted Amounts		
					Original	Final	
<u>Revenues</u>							
Local Taxes	\$ 15,263,142	\$ 0	\$ 0	\$ 15,263,142	\$ 15,934,899	\$ 15,194,299	\$ 68,843
Licenses and Permits	284,770	0	0	284,770	331,500	331,800	(47,030)
Fines, Forfeitures, and Penalties	594,410	0	0	594,410	471,364	549,208	45,202
Charges for Current Services	4,532,224	0	0	4,532,224	4,463,757	4,537,597	(5,373)
Other Local Revenues	772,882	0	0	772,882	730,260	923,902	(151,020)
Fees Received from County Officials	2,371,732	0	0	2,371,732	2,447,353	2,189,353	182,379
State of Tennessee	3,375,368	0	0	3,375,368	3,616,375	3,927,937	(552,569)
Federal Government	826,061	0	0	826,061	128,020	1,235,461	(409,400)
Other Governments and Citizens Groups	2,096,878	0	0	2,096,878	1,863,020	1,744,177	352,701
Total Revenues	\$ 30,117,467	\$ 0	\$ 0	\$ 30,117,467	\$ 29,986,548	\$ 30,633,734	\$ (516,267)
<u>Expenditures</u>							
General Government							
County Commission	\$ 361,583	(1,111)	28,000	388,472	399,629	389,636	1,164
Board of Equalization	1,011	0	0	1,011	3,000	3,000	1,989
Beer Board	2,500	0	0	2,500	2,500	2,500	0
Other Boards and Committees	35,937	0	0	35,937	34,000	42,647	6,710
County Mayor/Executive	250,236	(970)	2,391	251,657	258,306	258,793	7,136
Personnel Office	141,593	(64,062)	45,231	122,762	209,542	156,411	33,649
County Attorney	134,065	0	15,792	149,857	125,784	150,561	704
Election Commission	249,556	(761)	760	249,555	281,656	287,281	37,726
Register of Deeds	117,647	0	77	117,724	76,880	130,184	12,460
Development	221,223	(54,768)	69,521	235,976	253,197	253,197	17,221
Planning	210,678	0	8	210,686	211,856	211,856	1,170
County Buildings	403,971	(18,978)	21,755	406,748	452,815	452,815	46,067

(Continued)

Exhibit E-1

Bradley County, Tennessee
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Actual (Budgetary Basis) and Budget
General Fund (Cont.)

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2009	Add: Encumbrances 6/30/2010	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original		
					Original	Final	
<u>Expenditures (Cont.)</u>							
<u>Finance</u>							
Accounting and Budgeting	\$ 177,191	\$ (7,080)	\$ 9,280	\$ 179,391	\$ 180,986	\$ 180,986	\$ 1,595
Property Assessor's Office	737,054	(33,093)	40,891	744,852	784,925	786,494	41,642
Reappraisal Program	40,682	(1,609)	975	40,048	63,070	63,070	23,022
County Trustee's Office	81,370	(32)	0	81,338	85,423	85,423	4,085
County Clerk's Office	187,578	(32)	545	188,091	201,792	202,067	13,976
Data Processing	146,251	(18,511)	36,922	164,662	180,637	180,637	15,975
<u>Administration of Justice</u>							
Circuit Court	73,017	0	0	73,017	0	73,017	0
Circuit Court Clerk	1,225,611	0	1,256	1,226,867	1,320,807	1,316,790	89,923
General Sessions Judge	496,778	0	339	497,117	506,911	506,910	9,793
Drug Court	169,196	0	1,500	170,696	186,303	186,303	15,607
Chancery Court	45,861	0	2,067	47,928	57,615	57,615	9,687
Juvenile Court	560,448	(3,465)	27,870	584,853	526,586	607,920	23,067
Judicial Commissioners	75,762	0	0	75,762	46,950	112,007	36,245
Other Administration of Justice	111,900	(244)	491	112,147	110,929	112,726	579
Probation Services	321,214	(631)	414	320,997	300,959	343,915	22,918
<u>Public Safety</u>							
Sheriff's Department	6,965,960	(18,514)	27,760	6,975,206	6,630,379	6,975,206	0
Special Patrols	292,028	(732)	1,578	292,874	290,267	306,602	13,728
Traffic Control	2,490	0	0	2,490	20,200	20,200	17,710
Administration of the Sexual Offender Registry	1,127	0	0	1,127	0	5,000	3,873
Jail	5,979,374	(21,033)	16,351	5,974,692	5,996,452	5,994,802	20,110
Correctional Incentive Program Improvements	1,052,597	(16,063)	41,726	1,078,260	1,123,897	1,142,547	64,287
Juvenile Services	102,755	(2,355)	312	100,712	89,001	123,800	23,088

(Continued)

Exhibit E-1

Bradley County, Tennessee
 Schedule of Revenues, Expenditures, and Changes
 in Fund Balance - Actual (Budgetary Basis) and Budget
 General Fund (Cont.)

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2009	Add: Encumbrances 6/30/2010	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original		
					Original	Final	
<u>Expenditures (Cont.)</u>							
<u>Public Safety (Cont.)</u>							
Work Release Program	\$ 309,664	\$ (1,902)	\$ 371	\$ 308,133	\$ 325,833	\$ 325,833	\$ 17,700
Civil Defense	713,706	(1,600)	3,201	715,307	436,486	715,768	461
Rescue Squad	180,809	(37,841)	24,980	167,948	170,500	199,436	31,488
Other Emergency Management	647,848	0	0	647,848	0	647,848	0
Inspection and Regulation	162,462	0	0	162,462	165,829	165,829	3,367
County Coroner/Medical Examiner	108,250	(83)	18,222	126,389	131,359	131,359	4,970
Public Safety Grant Programs	0	0	0	0	8,362	8,362	8,362
Other Public Safety	450,000	0	0	450,000	450,000	450,000	0
<u>Public Health and Welfare</u>							
Local Health Center	393,797	(887)	367	393,277	408,313	408,313	15,036
Rabies and Animal Control	339,741	0	0	339,741	339,741	339,741	0
Ambulance/Emergency Medical Services	4,423,244	(15,028)	16,385	4,424,601	4,634,358	4,650,176	225,575
Alcohol and Drug Programs	47,346	0	100	47,446	49,966	50,000	2,554
Other Local Health Services	954,801	(235)	2,048	956,614	1,069,956	1,069,956	113,342
General Welfare Assistance	2,000	0	0	2,000	2,000	2,000	0
Aid to Dependent Children	0	0	0	0	1,000	1,000	1,000
Other Local Welfare Services	78,865	0	0	78,865	78,865	78,865	0
Waste Pickup	300	(300)	0	0	1,000	1,000	1,000
Other Public Health and Welfare	11,981	0	0	11,981	19,625	19,625	7,644
<u>Social, Cultural, and Recreational Services</u>							
Adult Activities	10,000	0	0	10,000	10,000	10,000	0
Senior Citizens Assistance	94,060	0	0	94,060	94,060	94,060	0
Other Social, Cultural, and Recreational	944,654	(9,554)	16,709	951,809	983,962	985,583	33,774

(Continued)

Exhibit E-1

Bradley County, Tennessee
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Actual (Budgetary Basis) and Budget
General Fund (Cont.)

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2009	Add: Encumbrances 6/30/2010	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
<u>Expenditures (Cont.)</u>							
<u>Agriculture and Natural Resources</u>							
Agriculture Extension Service	\$ 236,976	\$ (438)	\$ 6,080	\$ 242,618	\$ 291,422	\$ 291,422	\$ 48,804
Soil Conservation	50,269	0	0	50,269	50,311	50,311	42
Storm Water Management	232,038	(575)	130	231,593	240,027	233,897	2,304
<u>Other Operations</u>							
Tourism	148,132	0	0	148,132	150,000	155,000	6,868
Industrial Development	148,132	0	0	148,132	150,000	155,000	6,868
Public Transportation	42,000	0	0	42,000	42,000	42,000	0
Veterans' Services	109,025	(37)	0	108,988	110,472	110,472	1,484
Other Charges	311,529	0	0	311,529	350,000	350,000	38,471
Contributions to Other Agencies	78,765	0	0	78,765	78,765	78,765	0
ARRA Grant # 1	47,209	0	13	47,222	0	50,000	2,778
ARRA Grant # 2	29,760	0	1,000	30,760	0	49,587	18,827
ARRA Grant # 3	34,189	0	0	34,189	0	37,482	3,293
ARRA Grant # 4	3,146	0	0	3,146	0	3,146	0
ARRA Grant # 6	144,432	0	0	144,432	0	144,432	0
Miscellaneous	33,134	0	3,250	36,384	0	247,244	210,860
Total Expenditures	\$ 32,498,508	\$ (332,524)	\$ 486,668	\$ 32,652,652	\$ 31,857,466	\$ 34,076,430	\$ 1,423,778
<u>Excess (Deficiency) of Revenues</u>							
Over Expenditures	\$ (2,381,041)	\$ 332,524	\$ (486,668)	\$ (2,535,185)	\$ (1,870,918)	\$ (3,442,696)	\$ 907,511
<u>Other Financing Sources (Uses)</u>							
Notes Issued	\$ 240,000	\$ 0	\$ 0	\$ 240,000	\$ 0	\$ 240,000	\$ 0
Capital Leases Issued	193,736	0	0	193,736	0	193,736	0

(Continued)

Exhibit E-1

Bradley County, Tennessee
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Actual (Budgetary Basis) and Budget
General Fund (Cont.)

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2009	Add: Encumbrances 6/30/2010	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
<u>Other Financing Sources (Uses) (Cont.)</u>							
Insurance Recovery	\$ 14,880	\$ 0	\$ 0	\$ 14,880	\$ 0	\$ 25,448	\$ (10,568)
Transfers In	297,632	0	0	297,632	0	0	297,632
Transfers Out	(166,250)	0	0	(166,250)	(10,000)	(166,250)	0
Total Other Financing Sources (Uses)	\$ 579,998	\$ 0	\$ 0	\$ 579,998	\$ (10,000)	\$ 292,934	\$ 287,064
Net Change in Fund Balance	\$ (1,801,043)	\$ 332,524	\$ (486,668)	\$ (1,955,187)	\$ (1,880,918)	\$ (3,149,762)	\$ 1,194,575
Fund Balance, July 1, 2009	5,462,934	(332,524)	0	5,130,410	5,225,547	5,225,547	(95,137)
Fund Balance, June 30, 2010	\$ 3,661,891	\$ 0	\$ (486,668)	\$ 3,175,223	\$ 3,344,629	\$ 2,075,785	\$ 1,099,438

Exhibit E-2

Bradley County, Tennessee
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Actual and Budget
Highway/Public Works Fund
For the Year Ended June 30, 2010

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Local Taxes	\$ 2,585,847	\$ 2,574,643	\$ 2,556,810	\$ 29,037
Other Local Revenues	189,326	14,110	188,300	1,026
State of Tennessee	2,296,396	2,402,700	2,263,100	33,296
Total Revenues	\$ 5,071,569	\$ 4,991,453	\$ 5,008,210	\$ 63,359
<u>Expenditures</u>				
<u>Highways</u>				
Administration	\$ 459,129	\$ 489,965	\$ 494,165	\$ 35,036
Highway and Bridge Maintenance	3,002,118	3,075,882	3,106,622	104,504
Operation and Maintenance of Equipment	418,986	464,939	458,889	39,903
Quarry Operations	0	100	0	0
Litter and Trash Collection	80,433	89,938	89,938	9,505
Other Charges	150,054	159,920	155,900	5,846
Employee Benefits	686,668	737,539	715,739	29,071
Capital Outlay	292,318	405,750	318,550	26,232
<u>Capital Projects</u>				
Highway and Street Capital Projects	267,910	369,514	353,714	85,804
Total Expenditures	\$ 5,357,616	\$ 5,793,547	\$ 5,693,517	\$ 335,901
Excess (Deficiency) of Revenues Over Expenditures	\$ (286,047)	\$ (802,094)	\$ (685,307)	\$ 399,260
<u>Other Financing Sources (Uses)</u>				
Insurance Recovery	\$ 0	\$ 100	\$ 239	\$ (239)
Total Other Financing Sources (Uses)	\$ 0	\$ 100	\$ 239	\$ (239)
Net Change in Fund Balance	\$ (286,047)	\$ (801,994)	\$ (685,068)	\$ 399,021
Fund Balance, July 1, 2009	2,387,690	1,764,218	1,764,218	623,472
Fund Balance, June 30, 2010	\$ 2,101,643	\$ 962,224	\$ 1,079,150	\$ 1,022,493

Exhibit E-3

Bradley County, Tennessee
Schedule of Funding Progress – Pension Plan
Primary Government and Discretely Presented Bradley County School Department
June 30, 2010

(Dollar amounts in thousands)

Actuarial Valuation Date	Actuarial Value of Plan Assets (a)	Accrued Liability (AAL) Entry Age (b)	Unfunded AAL (UAAL) (b)-(a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b-a)/c)
7-1-09	\$ 48,300	\$ 58,390	\$ 10,090	82.72 %	\$ 25,105	40.19 %
7-1-07	43,144	49,698	6,554	86.81	22,057	29.71

The Governmental Accounting Standards Board requires the plan to prepare the Schedule of Funding Progress using the entry age actuarial cost method. The requirement to present the Schedule of Funding Progress using the entry age actuarial cost method went into effect during the 2007 year; therefore, only the two most recent valuations are presented.

Exhibit E-4

Bradley County, Tennessee
Schedule of Funding Progress – Other Postemployment Benefits Plans
Primary Government and Discretely Presented Bradley County School Department
June 30, 2010

(Dollar amounts in thousands)

Plan(s)	Actuarial Valuation Date *	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) (b)	Unfunded AAL (UAAAL) (b)-(a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAAL as a Percentage of Covered Payroll ((b-a)/c)
<u>PRIMARY GOVERNMENT (1)</u>							
Local Government Group	7-1-07	\$ 0	\$ 5,433	\$ 5,433	0	\$ 17,500	31.05 %
"	7-1-09	0	237	237	0	0	0.00
Local Government Commerical	7-1-10	0	3,730	3,730	0	19,046	19.58
<u>DISCRETELY PRESENTED BRADLEY COUNTY SCHOOL DEPARTMENT</u>							
Local Education Group	7-1-07	0	13,176	13,176	0	40,551	32.49
"	7-1-09	0	13,750	13,750	0	42,374	32.45

(1) The primary government switched from the Local Government Group Plan to the Local Government Commercial Plan effective July 1, 2009.

* Data for three actuarial valuations will be presented when available.

BRADLEY COUNTY, TENNESSEE
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
For the Year Ended June 30, 2010

A. BUDGETARY INFORMATION

The county is required by state statute to adopt annual budgets. Annual budgets are prepared on the basis in which current available funds must be sufficient to meet current expenditures. Expenditures and encumbrances may not legally exceed appropriations authorized by the Bradley County Commission and any authorized revisions. Unencumbered appropriations lapse at the end of each fiscal year.

The budgetary level of control is at the major category level established by the County Uniform Chart of Accounts, as prescribed by the Comptroller of the Treasury of the State of Tennessee. Major categories are at the department level (examples of General Fund major categories: County Commission, Board of Equalization, Budget and Finance Committee, County Mayor, etc.). Management may make revisions within major categories, but only the Bradley County Commission may transfer appropriations between major categories. During the year, several supplementary appropriations were necessary.

The county's budgetary basis of accounting is consistent with generally accepted accounting principles (GAAP), except instances in which encumbrances are treated as budgeted expenditures. The difference between the budgetary basis and the GAAP basis is presented on the face of each budgetary schedule.

B. OTHER POSTEMPLOYMENT BENEFITS (OPEB)

Effective July 1, 2009, Bradley County changed its healthcare from the Local Government Group Plan to a self-insured/commercial healthcare benefits administered by Cigna. For accounting purposes, the plan is a single-employer defined benefit OPEB plan. Benefits are established and amended by an insurance committee established by the County Commission. Bradley County employees who retired prior to July 1, 2009, are still on the Local Government Group Plan.

**COMBINING AND INDIVIDUAL FUND
FINANCIAL STATEMENTS AND SCHEDULES**

Nonmajor Governmental Funds

Special Revenue Funds

Special Revenue Funds are used to account for the proceeds of specific revenue sources (other than major capital projects) that are legally restricted to expenditures for specific purposes.

Law Library Fund – The Law Library Fund is used to account for a special tax levied by private act on litigation. Proceeds of the tax must be expended for the benefit of the county’s law library.

Public Library Fund – The Public Library Fund is used to account for transactions for the Bradley County/Cleveland Public Library, which is jointly funded by Bradley County and the City of Cleveland.

Solid Waste/Sanitation Fund – The Solid Waste/Sanitation Fund is used to account for transactions relating to Bradley County trash collection and waste disposal.

Drug Control Fund – The Drug Control Fund is used to account for revenues received from drug-related fines, forfeitures, and seizures.

Agri-Business Fund – The Agri-Business Fund is used to account for revenues and expenditures associated with the Agri-Business Center’s operations.

Special Purpose Fire Tax Fund – The Special Purpose Fire Tax Fund is used to account for transactions of the county’s Fire Department. A property tax rate is assessed on citizens living in Bradley County but outside of the cities of Cleveland and Charleston. Proceeds of the tax must be expended on fire protection for those citizens.

Veterans Nursing Home Fund – The Veterans Nursing Home Fund is used to account for contributions and the county’s share of a proposed Veterans Nursing Home.

Constitutional Officers - Fees Fund – The Constitutional Officers - Fees Fund is used to account for operating expenses paid directly from the fee and commission accounts of the trustee, clerks, register, and sheriff.

Vocational Building Fund – The Vocational Building Fund is used to account for transactions of a vocational building owned by the county and leased to the State of Tennessee. This fund was closed during the period.

Capital Projects Funds

Capital Projects Funds are used to account for financial resources to be used for the acquisition or construction of major capital facilities.

General Capital Projects Fund – The General Capital Projects Fund is used to account for general capital expenditures of the county.

Community Development/Industrial Park Fund – The Community Development/Industrial Park Fund is used to account for industrial park projects.

Peerless Road Capital Projects Fund – The Peerless Road Capital Projects Fund is used to account for a specific road project.

HUD Grant Projects Fund – The HUD Grant Projects Fund is used to account for Housing and Urban Development projects.

Other Capital Projects Fund – The Other Capital Projects Fund is used to account for the County/City of Cleveland Greenway project. This fund was closed during the period.

Exhibit F-1

Bradley County, Tennessee
 Combining Balance Sheet
 Nonmajor Governmental Funds
 June 30, 2010

	Special Revenue Funds							Veterans Nursing Home
	Law Library	Public Library	Solid Waste/ Sanitation	Drug Control	Agri- Business	Special Purpose Fire Tax		
ASSETS								
Cash	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	0
Equity in Pooled Cash and Investments	19,091	156,919	1,387,843	402,423	36,541	998,671	17,668	0
Accounts Receivable	0	0	63,357	0	0	0	0	0
Due from Other Governments	0	4,051	17,294	0	27,707	25,000	0	0
Property Taxes Receivable	0	599,169	0	0	0	1,995,424	0	0
Allowance for Uncollectible Property Taxes	0	(23,507)	0	0	0	(161,530)	0	0
Notes Receivable - Long-term	0	0	0	0	0	0	0	0
Total Assets	\$ 19,091	\$ 736,632	\$ 1,468,494	\$ 402,423	\$ 64,248	\$ 2,857,565	\$ 17,668	
LIABILITIES AND FUND BALANCES								
Liabilities								
Deferred Revenue - Current Property Taxes	\$ 0	\$ 554,786	\$ 0	\$ 0	\$ 0	\$ 1,580,979	\$ 0	0
Deferred Revenue - Delinquent Property Taxes	0	14,918	0	0	0	234,655	0	0
Other Deferred Revenues	0	1,350	0	0	14,273	0	0	0
Total Liabilities	\$ 0	\$ 571,054	\$ 0	\$ 0	\$ 14,273	\$ 1,815,634	\$ 0	0
Fund Balances								
Reserved for Encumbrances	\$ 0	\$ 0	\$ 118	\$ 134	\$ 0	\$ 80,477	\$ 0	0
Reserved for Long-term Notes Receivable	0	0	0	0	0	0	0	0
Unreserved	19,091	165,578	1,468,376	402,289	49,975	961,454	17,668	0
Total Fund Balances	\$ 19,091	\$ 165,578	\$ 1,468,494	\$ 402,423	\$ 49,975	\$ 1,041,931	\$ 17,668	0
Total Liabilities and Fund Balances	\$ 19,091	\$ 736,632	\$ 1,468,494	\$ 402,423	\$ 64,248	\$ 2,857,565	\$ 17,668	0

(Continued)

Exhibit F-1

Bradley County, Tennessee
 Combining Balance Sheet
 Nonmajor Governmental Funds (Cont.)

	Special Revenue Funds (Cont.)		Capital Projects Funds				Total Nonmajor Governmental Funds
	Constituti- onal Officers - Fees	Total	General Capital Projects	Community Development/ Industrial Park	HUD Grant Projects	Total	
	\$ 323,088	\$ 323,088	\$ 0	\$ 0	\$ 0	\$ 0	\$ 323,088
Cash	0	3,019,156	5,099,894	1,121,387	126,892	6,348,173	9,367,329
Equity in Pooled Cash and Investments	0	63,357	8,783	0	0	8,783	72,140
Accounts Receivable	0	74,052	0	7,435	0	7,435	81,487
Due from Other Governments	0	2,594,593	0	1,137,966	0	1,137,966	3,732,559
Property Taxes Receivable	0	(185,037)	0	(60,959)	0	(60,959)	(245,996)
Allowance for Uncollectible Property Taxes	0	0	0	0	34,004	34,004	34,004
Notes Receivable - Long-term	0	0	0	0	0	0	0
Total Assets	\$ 323,088	\$ 5,889,209	\$ 5,108,677	\$ 2,205,829	\$ 160,896	\$ 7,475,402	\$ 13,364,611
<u>LIABILITIES AND FUND BALANCES</u>							
<u>Liabilities</u>							
Deferred Revenue - Current Property Taxes	\$ 0	\$ 2,135,765	\$ 0	\$ 1,001,419	\$ 0	\$ 1,001,419	\$ 3,137,184
Deferred Revenue - Delinquent Property Taxes	0	249,573	0	54,015	0	54,015	303,588
Other Deferred Revenues	0	15,623	0	2,559	0	2,559	18,182
Total Liabilities	\$ 0	\$ 2,400,961	\$ 0	\$ 1,057,993	\$ 0	\$ 1,057,993	\$ 3,458,954
<u>Fund Balances</u>							
Reserved for Encumbrances	\$ 0	\$ 80,729	\$ 434,871	\$ 239,460	\$ 0	\$ 674,331	\$ 755,060
Reserved for Long-term Notes Receivable	0	0	0	0	34,004	34,004	34,004
Unreserved	323,088	3,407,519	4,673,806	908,376	126,892	5,709,074	9,116,593
Total Fund Balances	\$ 323,088	\$ 3,488,248	\$ 5,108,677	\$ 1,147,836	\$ 160,896	\$ 6,417,409	\$ 9,905,657
Total Liabilities and Fund Balances	\$ 323,088	\$ 5,889,209	\$ 5,108,677	\$ 2,205,829	\$ 160,896	\$ 7,475,402	\$ 13,364,611

Exhibit F-2

Bradley County, Tennessee
 Combining Statement of Revenues, Expenditures,
 and Changes in Fund Balances
 Nonmajor Governmental Funds
 For the Year Ended June 30, 2010

	Special Revenue Funds							Constituti- onal Officers - Fees
	Law Library	Public Library	Solid Waste / Sanitation	Drug Control	Agri- Business	Special Purpose Fire Tax	Veterans Nursing Home	
<u>Revenues</u>								
Local Taxes	\$ 516	\$ 566,579	\$ 0	\$ 0	\$ 141,692	\$ 1,754,382	\$ 0	\$ 0
Fines, Forfeitures, and Penalties	1,170	0	0	103,278	0	0	0	0
Charges for Current Services	10,995	0	223,442	0	0	0	0	1,701,823
Other Local Revenues	0	0	251	672	26,470	25,000	14,507	0
State of Tennessee	0	17,480	47,308	0	0	15,000	0	0
Federal Government	0	0	0	0	0	0	0	0
Total Revenues	\$ 12,681	\$ 584,059	\$ 271,001	\$ 103,950	\$ 168,162	\$ 1,794,382	\$ 14,507	\$ 1,701,823
<u>Expenditures</u>								
Current:								
General Government	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 294,614
Finance	0	0	0	0	0	0	0	1,233,104
Administration of Justice	0	0	0	0	0	0	0	224,898
Public Safety	0	0	0	469,576	0	1,781,328	0	0
Public Health and Welfare	0	0	80,621	28,640	0	0	0	0
Social, Cultural, and Recreational Services	7,675	558,016	0	0	174,379	0	0	0
Other Operations	126	11,478	28,771	1,030	1,392	35,091	0	0
Capital Projects	0	0	0	0	0	0	0	0
Total Expenditures	\$ 7,801	\$ 569,494	\$ 109,392	\$ 499,246	\$ 175,771	\$ 1,816,419	\$ 0	\$ 1,752,616
Excess (Deficiency) of Revenues Over Expenditures	\$ 4,880	\$ 14,565	\$ 161,609	\$ (395,296)	\$ (7,609)	\$ (22,037)	\$ 14,507	\$ (50,793)
<u>Other Financing Sources (Uses)</u>								
Transfers In	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Transfers Out	0	0	0	0	0	(194,675)	0	0
Total Other Financing Sources (Uses)	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ (194,675)	\$ 0	\$ 0
Net Change in Fund Balances	\$ 4,880	\$ 14,565	\$ 161,609	\$ (395,296)	\$ (7,609)	\$ (216,712)	\$ 14,507	\$ (50,793)
Fund Balance, July 1, 2009	14,211	151,013	1,306,885	797,719	57,584	1,258,643	3,161	373,881
Fund Balance, June 30, 2010	\$ 19,091	\$ 165,578	\$ 1,468,494	\$ 402,423	\$ 49,975	\$ 1,041,931	\$ 17,668	\$ 323,088

(Continued)

Bradley County, Tennessee
 Combining Statement of Revenues, Expenditures,
 and Changes in Fund Balances
 Nonmajor Governmental Funds (Cont.)

	Special Revenue Funds (Cont.)		Capital Projects Funds					Total Nonmajor Governmental Funds
	Vocational Building	Total	General Capital Projects	Community Development/ Industrial Park	Peerless Road Capital Projects	HUD Grant Projects	Other Capital Projects	
Revenues								
Local Taxes	\$ 0	\$ 2,463,169	\$ 63,698	\$ 1,979,864	\$ 0	\$ 0	\$ 0	\$ 2,043,562
Fines, Forfeitures, and Penalties	0	104,448	0	0	0	0	0	104,448
Charges for Current Services	0	1,936,260	0	0	0	0	0	1,936,260
Other Local Revenues	85,017	151,917	347,262	0	0	2,111	0	349,373
State of Tennessee	0	79,788	0	58,388	83,776	0	0	142,164
Federal Government	0	0	0	0	66,141	0	0	66,141
Total Revenues	\$ 85,017	\$ 4,735,582	\$ 410,960	\$ 2,038,252	\$ 149,917	\$ 2,111	\$ 0	\$ 2,601,240
Expenditures								
Current:								
General Government	\$ 3,592	\$ 298,206	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 298,206
Finance	0	1,233,104	0	0	0	0	0	1,233,104
Administration of Justice	0	224,898	0	0	0	0	0	224,898
Public Safety	0	2,250,904	0	0	0	0	0	2,250,904
Public Health and Welfare	0	109,261	0	0	0	0	0	109,261
Social, Cultural, and Recreational Services	0	740,070	0	0	0	0	0	740,070
Other Operations	921	78,809	5,392	1,350,165	0	21	26,750	1,382,328
Capital Projects	0	0	355,426	0	241,191	0	0	596,617
Total Expenditures	\$ 4,513	\$ 4,935,252	\$ 360,818	\$ 1,350,165	\$ 241,191	\$ 21	\$ 26,750	\$ 1,978,945
Excess (Deficiency) of Revenues Over Expenditures	\$ 80,504	\$ (199,670)	\$ 50,142	\$ 688,087	\$ (91,274)	\$ 2,090	\$ (26,750)	\$ 622,295
Other Financing Sources (Uses)								
Transfers In	\$ 0	\$ 0	\$ 0	\$ 50,000	\$ 0	\$ 0	\$ 10,000	\$ 60,000
Transfers Out	(125,057)	(319,732)	0	0	(50,000)	0	(58,775)	(108,775)
Total Other Financing Sources (Uses)	\$ (125,057)	\$ (319,732)	\$ 0	\$ 50,000	\$ (50,000)	\$ 0	\$ (48,775)	\$ (368,507)
Net Change in Fund Balances Fund Balance, July 1, 2009	\$ (44,553)	\$ (519,402)	\$ 50,142	\$ 738,087	\$ (141,274)	\$ 2,090	\$ (75,525)	\$ 573,520
Fund Balance, June 30, 2010	\$ 44,553	\$ 4,007,650	\$ 5,058,535	\$ 409,749	\$ 141,274	\$ 158,806	\$ 75,525	\$ 5,843,889
Fund Balance, June 30, 2010	\$ 0	\$ 3,488,248	\$ 5,108,677	\$ 1,147,836	\$ 0	\$ 160,896	\$ 0	\$ 6,417,409

Exhibit F-3

Bradley County, Tennessee
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Actual and Budget
Law Library Fund
For the Year Ended June 30, 2010

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Local Taxes	\$ 516	\$ 500	\$ 500	\$ 16
Fines, Forfeitures, and Penalties	1,170	1,200	1,200	(30)
Charges for Current Services	10,995	10,300	10,300	695
Total Revenues	<u>\$ 12,681</u>	<u>\$ 12,000</u>	<u>\$ 12,000</u>	<u>\$ 681</u>
<u>Expenditures</u>				
<u>Social, Cultural, and Recreational Services</u>				
Libraries	\$ 7,675	\$ 10,248	\$ 10,248	\$ 2,573
<u>Other Operations</u>				
Other Charges	126	120	130	4
Total Expenditures	<u>\$ 7,801</u>	<u>\$ 10,368</u>	<u>\$ 10,378</u>	<u>\$ 2,577</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ 4,880</u>	<u>\$ 1,632</u>	<u>\$ 1,622</u>	<u>\$ 3,258</u>
Net Change in Fund Balance	\$ 4,880	\$ 1,632	\$ 1,622	\$ 3,258
Fund Balance, July 1, 2009	<u>14,211</u>	<u>8,527</u>	<u>8,527</u>	<u>5,684</u>
Fund Balance, June 30, 2010	<u>\$ 19,091</u>	<u>\$ 10,159</u>	<u>\$ 10,149</u>	<u>\$ 8,942</u>

Exhibit F-4

Bradley County, Tennessee
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Actual and Budget
Public Library Fund
For the Year Ended June 30, 2010

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Local Taxes	\$ 566,579	\$ 556,179	\$ 556,179	\$ 10,400
State of Tennessee	17,480	10,300	10,300	7,180
Total Revenues	<u>\$ 584,059</u>	<u>\$ 566,479</u>	<u>\$ 566,479</u>	<u>\$ 17,580</u>
<u>Expenditures</u>				
<u>Social, Cultural, and Recreational Services</u>				
Libraries	\$ 558,016	\$ 558,650	\$ 558,650	\$ 634
<u>Other Operations</u>				
Other Charges	11,478	12,045	12,045	567
Total Expenditures	<u>\$ 569,494</u>	<u>\$ 570,695</u>	<u>\$ 570,695</u>	<u>\$ 1,201</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ 14,565</u>	<u>\$ (4,216)</u>	<u>\$ (4,216)</u>	<u>\$ 18,781</u>
Net Change in Fund Balance	\$ 14,565	\$ (4,216)	\$ (4,216)	\$ 18,781
Fund Balance, July 1, 2009	<u>151,013</u>	<u>151,343</u>	<u>151,343</u>	<u>(330)</u>
Fund Balance, June 30, 2010	<u><u>\$ 165,578</u></u>	<u><u>\$ 147,127</u></u>	<u><u>\$ 147,127</u></u>	<u><u>\$ 18,451</u></u>

Exhibit F-5

Bradley County, Tennessee
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Actual (Budgetary Basis) and Budget
Solid Waste/Sanitation Fund
For the Year Ended June 30, 2010

	Actual (GAAP Basis)	Add: Encumbrances 6/30/2010	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
				Original	Final	
<u>Revenues</u>						
Charges for Current Services	\$ 223,442	\$ 0	\$ 223,442	\$ 250,000	\$ 250,000	\$ (26,558)
Other Local Revenues	251	0	251	0	0	251
State of Tennessee	47,308	0	47,308	65,000	65,000	(17,692)
Other Governments and Citizens Groups	0	0	0	20,000	20,000	(20,000)
Total Revenues	\$ 271,001	\$ 0	\$ 271,001	\$ 335,000	\$ 335,000	\$ (63,999)
<u>Expenditures</u>						
Public Health and Welfare						
Other Waste Collection	\$ 39,250	\$ 0	\$ 39,250	\$ 65,000	\$ 65,000	\$ 25,750
Recycling Center	41,371	118	41,489	101,789	101,789	60,300
Other Operations	2,271	0	2,271	3,350	3,350	1,079
Other Charges	26,500	0	26,500	26,500	26,500	0
Contributions to Other Agencies						
Total Expenditures	\$ 109,392	\$ 118	\$ 109,510	\$ 196,639	\$ 196,639	\$ 87,129
Excess (Deficiency) of Revenues Over Expenditures	\$ 161,609	\$ (118)	\$ 161,491	\$ 138,361	\$ 138,361	\$ 23,130
Net Change in Fund Balance Fund Balance, July 1, 2009	\$ 161,609	\$ (118)	\$ 161,491	\$ 138,361	\$ 138,361	\$ 23,130
	1,306,885	0	1,306,885	1,171,205	1,171,205	135,680
Fund Balance, June 30, 2010	\$ 1,468,494	\$ (118)	\$ 1,468,376	\$ 1,309,566	\$ 1,309,566	\$ 158,810

Exhibit F-6

Bradley County, Tennessee
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Actual (Budgetary Basis) and Budget
Drug Control Fund
For the Year Ended June 30, 2010

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2009	Add: Encumbrances 6/30/2010	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
<u>Revenues</u>							
Fines, Forfeitures, and Penalties	\$ 103,278	\$ 0	\$ 0	\$ 103,278	\$ 85,000	\$ 85,000	\$ 18,278
Other Local Revenues	672	0	0	672	2,000	2,100	(1,428)
Total Revenues	\$ 103,950	\$ 0	\$ 0	\$ 103,950	\$ 87,000	\$ 87,100	\$ 16,850
<u>Expenditures</u>							
<u>Public Safety</u>							
Sheriff's Department	\$ 64,309	(775)	5	\$ 63,539	\$ 98,821	\$ 98,821	\$ 35,282
Drug Enforcement	405,267	0	128	405,395	428,060	428,060	22,665
<u>Public Health and Welfare</u>							
Alcohol and Drug Programs	28,640	0	1	28,641	36,000	46,100	17,459
<u>Other Operations</u>							
Other Charges	1,030	0	0	1,030	3,000	3,000	1,970
Total Expenditures	\$ 499,246	(775)	134	\$ 498,605	\$ 565,881	\$ 575,981	\$ 77,376
Excess (Deficiency) of Revenues Over Expenditures	\$ (395,296)	\$ 775	(134)	(394,655)	(478,881)	(488,881)	\$ 94,226
Net Change in Fund Balance Fund Balance, July 1, 2009	\$ (395,296)	\$ 775	(134)	(394,655)	(478,881)	(488,881)	\$ 94,226
	797,719	(775)	0	796,944	752,598	752,598	44,346
Fund Balance, June 30, 2010	\$ 402,423	\$ 0	(134)	402,289	273,717	263,717	\$ 138,572

Exhibit F-7

Bradley County, Tennessee
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Actual and Budget
Agri-Business Fund
For the Year Ended June 30, 2010

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Local Taxes	\$ 141,692	\$ 150,000	\$ 150,000	\$ (8,308)
Other Local Revenues	26,470	19,679	19,679	6,791
Total Revenues	<u>\$ 168,162</u>	<u>\$ 169,679</u>	<u>\$ 169,679</u>	<u>\$ (1,517)</u>
<u>Expenditures</u>				
<u>Social, Cultural, and Recreational Services</u>				
Other Social, Cultural, and Recreational	\$ 174,379	\$ 167,203	\$ 180,785	\$ 6,406
<u>Other Operations</u>				
Other Charges	1,392	1,500	1,500	108
Total Expenditures	<u>\$ 175,771</u>	<u>\$ 168,703</u>	<u>\$ 182,285</u>	<u>\$ 6,514</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ (7,609)</u>	<u>\$ 976</u>	<u>\$ (12,606)</u>	<u>\$ 4,997</u>
Net Change in Fund Balance	\$ (7,609)	\$ 976	\$ (12,606)	\$ 4,997
Fund Balance, July 1, 2009	<u>57,584</u>	<u>63,679</u>	<u>63,679</u>	<u>(6,095)</u>
Fund Balance, June 30, 2010	<u>\$ 49,975</u>	<u>\$ 64,655</u>	<u>\$ 51,073</u>	<u>\$ (1,098)</u>

Exhibit F-8

Bradley County, Tennessee
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Actual (Budgetary Basis) and Budget
Special Purpose Fire Tax Fund
For the Year Ended June 30, 2010

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2009	Add: Encumbrances 6/30/2010	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
<u>Revenues</u>							
Local Taxes	\$ 1,754,382	\$ 0	\$ 0	\$ 1,754,382	\$ 1,638,124	\$ 1,704,565	\$ 49,817
Other Local Revenues	25,000	0	0	25,000	25,000	25,000	0
State of Tennessee	15,000	0	0	15,000	0	15,000	0
Total Revenues	\$ 1,794,382	\$ 0	\$ 0	\$ 1,794,382	\$ 1,663,124	\$ 1,744,565	\$ 49,817
<u>Expenditures</u>							
<u>Public Safety</u>							
Fire Prevention and Control	\$ 1,781,328	\$ (32,936)	\$ 80,477	\$ 1,828,869	\$ 1,748,502	\$ 1,963,502	\$ 134,633
Other Operations							
Other Charges	35,091	0	0	35,091	33,262	35,262	171
Total Expenditures	\$ 1,816,419	\$ (32,936)	\$ 80,477	\$ 1,863,960	\$ 1,781,764	\$ 1,998,764	\$ 134,804
Excess (Deficiency) of Revenues Over Expenditures	\$ (22,037)	\$ 32,936	\$ (80,477)	\$ (69,578)	\$ (118,640)	\$ (254,199)	\$ 184,621
<u>Other Financing Sources (Uses)</u>							
Transfers Out	\$ (194,675)	\$ 0	\$ 0	\$ (194,675)	\$ 0	\$ 0	\$ (194,675)
Total Other Financing Sources (Uses)	\$ (194,675)	\$ 0	\$ 0	\$ (194,675)	\$ 0	\$ 0	\$ (194,675)
Net Change in Fund Balance Fund Balance, July 1, 2009	\$ (216,712)	\$ 32,936	\$ (80,477)	\$ (264,253)	\$ (118,640)	\$ (254,199)	\$ (10,054)
	1,258,643	(32,936)	0	1,225,707	983,725	983,725	241,982
Fund Balance, June 30, 2010	\$ 1,041,931	\$ 0	\$ (80,477)	\$ 961,454	\$ 865,085	\$ 729,526	\$ 231,928

Exhibit F-9

Bradley County, Tennessee
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Actual and Budget
Veterans Nursing Home Fund
For the Year Ended June 30, 2010

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Other Local Revenues	\$ 14,507	\$ 14,500	\$ 14,500	\$ 7
Total Revenues	<u>\$ 14,507</u>	<u>\$ 14,500</u>	<u>\$ 14,500</u>	<u>\$ 7</u>
Excess (Deficiency) of Revenues Over Expenditures				
	\$ 14,507	\$ 14,500	\$ 14,500	\$ 7
Net Change in Fund Balance				
Fund Balance, July 1, 2009	3,161	3,200	3,200	(39)
Fund Balance, June 30, 2010	<u>\$ 17,668</u>	<u>\$ 17,700</u>	<u>\$ 17,700</u>	<u>\$ (32)</u>

Exhibit F-10

Bradley County, Tennessee
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Actual and Budget
Vocational Building Fund
For the Year Ended June 30, 2010

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Other Local Revenues	\$ 85,017	\$ 85,017	\$ 85,017	\$ 0
Total Revenues	\$ 85,017	\$ 85,017	\$ 85,017	\$ 0
<u>Expenditures</u>				
<u>General Government</u>				
Other Facilities	\$ 3,592	\$ 3,000	\$ 3,592	\$ 0
<u>Other Operations</u>				
Other Charges	921	850	921	0
Total Expenditures	\$ 4,513	\$ 3,850	\$ 4,513	\$ 0
Excess (Deficiency) of Revenues Over Expenditures	\$ 80,504	\$ 81,167	\$ 80,504	\$ 0
<u>Other Financing Sources (Uses)</u>				
Transfers Out	\$ (125,057)	\$ (80,875)	\$ (125,057)	\$ 0
Total Other Financing Sources (Uses)	\$ (125,057)	\$ (80,875)	\$ (125,057)	\$ 0
Net Change in Fund Balance	\$ (44,553)	\$ 292	\$ (44,553)	\$ 0
Fund Balance, July 1, 2009	44,553	42,439	44,553	0
Fund Balance, June 30, 2010	\$ 0	\$ 42,731	\$ 0	\$ 0

Major Governmental Fund

General Debt Service Fund

The General Debt Service Fund is used to account for the accumulation of resources for, and the payment of, long-term debt principal, interest, and related costs.

Exhibit G

Bradley County, Tennessee
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Actual and Budget
General Debt Service Fund
For the Year Ended June 30, 2010

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Local Taxes	\$ 4,831,014	\$ 4,824,536	\$ 4,824,536	\$ 6,478
Other Local Revenues	21,228	143,267	13,267	7,961
State of Tennessee	147,636	143,900	143,900	3,736
Federal Government	237,277	0	237,277	0
Total Revenues	<u>\$ 5,237,155</u>	<u>\$ 5,111,703</u>	<u>\$ 5,218,980</u>	<u>\$ 18,175</u>
<u>Expenditures</u>				
<u>Other Operations</u>				
Other Charges	\$ 97,834	\$ 112,210	\$ 112,210	\$ 14,376
<u>Principal on Debt</u>				
General Government	601,493	674,322	601,493	0
Education	1,822,556	2,231,936	1,834,556	12,000
<u>Interest on Debt</u>				
General Government	403,659	731,609	500,000	96,341
Education	2,040,413	3,319,000	2,237,277	196,864
<u>Other Debt Service</u>				
General Government	193,192	2,057	200,000	6,808
Education	162,068	11,043	200,000	37,932
Total Expenditures	<u>\$ 5,321,215</u>	<u>\$ 7,082,177</u>	<u>\$ 5,685,536</u>	<u>\$ 364,321</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ (84,060)</u>	<u>\$ (1,970,474)</u>	<u>\$ (466,556)</u>	<u>\$ 382,496</u>
<u>Other Financing Sources (Uses)</u>				
Transfers In	\$ 237,125	\$ 284,505	\$ 237,125	\$ 0
Total Other Financing Sources (Uses)	<u>\$ 237,125</u>	<u>\$ 284,505</u>	<u>\$ 237,125</u>	<u>\$ 0</u>
Net Change in Fund Balance	\$ 153,065	\$ (1,685,969)	\$ (229,431)	\$ 382,496
Fund Balance, July 1, 2009	16,250,237	15,627,439	16,127,439	122,798
Fund Balance, June 30, 2010	<u>\$ 16,403,302</u>	<u>\$ 13,941,470</u>	<u>\$ 15,898,008</u>	<u>\$ 505,294</u>

Fiduciary Funds

Agency Funds are used to account for assets held by the county as an agent for individuals, private organizations, other governments, and/or other funds. Agency funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations.

Cities - Sales Tax Fund – The Cities - Sales Tax Fund is used to account for the second half of sales tax revenues collected inside incorporated cities of the county. These revenues are received by the county from the State of Tennessee and forwarded to the various cities on a monthly basis.

Cities - Sales Tax in Litigation Fund – The Cities - Sales Tax in Litigation Fund is used to account for a sales tax levy dedicated to education in Bradley County. The City of Cleveland has asked that some of this levy be distributed to the city school system based on the average daily attendance basis. The county trustee is distributing this additional sales tax levy to the county's school system, based on the county's average daily attendance basis, and putting what would be the city school system's share, based on the city's average daily attendance basis, into this fund. This matter is currently in litigation.

Inside Urban Fringe Area Fire Tax Fund – The Inside Urban Fringe Area Fire Tax Fund is used to account for property taxes collected on property that lies within five miles of the City of Cleveland. These taxes are remitted to the City of Cleveland, which provides fire protection for this property.

City School ADA - Cleveland Fund – The City School ADA - Cleveland Fund is used to account for the city school system's share of education revenues collected by the county that must be apportioned between the various school systems on an average daily attendance basis. These collections are remitted to the city school system on a monthly basis.

City School ADA – Build America Bonds Fund – The City School ADA - Build America Bonds Fund is used to account for the city school system's share of Build America Bonds issued by the county that must be apportioned between the various school systems on an average daily attendance basis. These collections are remitted to the city school system when they are needed.

Constitutional Officers - Agency Fund – The Constitutional Officers - Agency Fund is used to account for amounts collected in an agency capacity by the county clerk, circuit and general sessions courts clerk, clerk and master, register, and sheriff. Such collections include amounts due the state, cities, other county funds, litigants, heirs, and others.

Exhibit H-1

Bradley County, Tennessee
Combining Statement of Assets and Liabilities
All Agency Funds
June 30, 2010

	Agency Funds										Total
	Cities - Sales Tax	Cities - Sales Tax In Litigation	Inside Urban Fringe Area Fire Tax	City School ADA - Cleveland	City School ADA - Build America Bonds	Consti- tional Officers - Agency					
ASSETS											
Cash	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 4,892,584	\$ 4,892,584	\$ 4,892,584	\$ 4,892,584	\$ 4,892,584	\$ 4,892,584
Equity in Pooled Cash and Investments	0	376,751	47,947	19,117	4,325,667	0	4,769,482	0	4,769,482	0	4,769,482
Accounts Receivable	0	110	0	0	0	0	110	0	110	0	110
Due from Other Governments	1,569,514	36,544	0	767,337	0	0	2,373,395	0	2,373,395	0	2,373,395
Due from Other Funds	0	0	0	290	0	0	290	0	290	0	290
Property Taxes Receivable	0	0	2,216,505	5,859,743	0	0	8,076,248	0	8,076,248	0	8,076,248
Allowance for Uncollectible Property Taxes	0	0	(191,133)	(229,893)	0	0	(421,026)	0	(421,026)	0	(421,026)
Total Assets	\$ 1,569,514	\$ 413,405	\$ 2,073,319	\$ 6,416,594	\$ 4,325,667	\$ 4,892,584	\$ 19,691,083	\$ 4,892,584	\$ 19,691,083	\$ 4,892,584	\$ 19,691,083
LIABILITIES											
Cash Overdraft	\$ 7,393	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	7,393	\$ 0	7,393	\$ 0	7,393
Due to Other Funds	0	0	0	0	0	0	290	290	290	0	290
Due to Other Taxing Units	1,562,121	413,405	2,073,319	6,416,594	4,325,667	0	14,791,106	0	14,791,106	0	14,791,106
Due to Litigants, Heirs, and Others	0	0	0	0	0	0	4,892,294	4,892,294	4,892,294	0	4,892,294
Total Liabilities	\$ 1,569,514	\$ 413,405	\$ 2,073,319	\$ 6,416,594	\$ 4,325,667	\$ 4,892,584	\$ 19,691,083	\$ 4,892,584	\$ 19,691,083	\$ 4,892,584	\$ 19,691,083

Exhibit H-2

Bradley County, Tennessee
Combining Statement of Changes in Assets and
Liabilities - All Agency Funds
For the Year Ended June 30, 2010

	Beginning Balance	Additions	Deductions	Ending Balance
<u>Cities - Sales Tax Fund</u>				
<u>Assets</u>				
Equity in Pooled Cash and Investments	\$ 0	\$ 8,856,484	\$ 8,856,484	\$ 0
Due from Other Governments	1,265,651	1,569,514	1,265,651	1,569,514
Total Assets	\$ 1,265,651	\$ 10,425,998	\$ 10,122,135	\$ 1,569,514
<u>Liabilities</u>				
Cash Overdraft	\$ 0	\$ 7,393	\$ 0	\$ 7,393
Due to Other Taxing Units	1,265,651	10,418,605	10,122,135	1,562,121
Total Liabilities	\$ 1,265,651	\$ 10,425,998	\$ 10,122,135	\$ 1,569,514
<u>Cities - Sales Tax In Litigation Fund</u>				
<u>Assets</u>				
Equity in Pooled Cash and Investments	\$ 0	\$ 376,751	\$ 0	\$ 376,751
Accounts Receivable	0	110	0	110
Due from Other Governments	0	36,544	0	36,544
Total Assets	\$ 0	\$ 413,405	\$ 0	\$ 413,405
<u>Liabilities</u>				
Due to Other Taxing Units	\$ 0	\$ 413,405	\$ 0	\$ 413,405
Total Liabilities	\$ 0	\$ 413,405	\$ 0	\$ 413,405
<u>Inside Urban Fringe Area Fire Tax Fund</u>				
<u>Assets</u>				
Equity in Pooled Cash and Investments	\$ 16,506	\$ 1,891,197	\$ 1,859,756	\$ 47,947
Taxes Receivable	2,201,015	2,216,505	2,201,015	2,216,505
Allowance for Uncollectible Taxes	(167,905)	(191,133)	(167,905)	(191,133)
Total Assets	\$ 2,049,616	\$ 3,916,569	\$ 3,892,866	\$ 2,073,319
<u>Liabilities</u>				
Due to Other Taxing Units	\$ 1,924,616	\$ 3,916,569	\$ 3,767,866	\$ 2,073,319
Due to Litigants, Heirs, and Others	125,000	0	125,000	0
Total Liabilities	\$ 2,049,616	\$ 3,916,569	\$ 3,892,866	\$ 2,073,319

(Continued)

Exhibit H-2

Bradley County, Tennessee
Combining Statement of Changes in Assets and
Liabilities - All Agency Funds (Cont.)

	Beginning Balance	Additions	Deductions	Ending Balance
<u>City School ADA - Cleveland Fund</u>				
<u>Assets</u>				
Equity in Pooled Cash and Investments	\$ 0	\$ 9,771,392	\$ 9,752,275	\$ 19,117
Due from Other Governments	638,693	767,336	638,692	767,337
Due from Other Funds	288	290	288	290
Taxes Receivable	5,740,353	5,859,744	5,740,354	5,859,743
Allowance for Uncollectible Taxes	(200,937)	(229,893)	(200,937)	(229,893)
Total Assets	<u>\$ 6,178,397</u>	<u>\$ 16,168,869</u>	<u>\$ 15,930,672</u>	<u>\$ 6,416,594</u>
<u>Liabilities</u>				
Due to Other Taxing Units	<u>\$ 6,178,397</u>	<u>\$ 16,168,869</u>	<u>\$ 15,930,672</u>	<u>\$ 6,416,594</u>
Total Liabilities	<u>\$ 6,178,397</u>	<u>\$ 16,168,869</u>	<u>\$ 15,930,672</u>	<u>\$ 6,416,594</u>
<u>City School ADA - Build America Bonds Fund</u>				
<u>Assets</u>				
Equity in Pooled Cash and Investments	\$ 0	\$ 5,555,867	\$ 1,230,200	\$ 4,325,667
Total Assets	<u>\$ 0</u>	<u>\$ 5,555,867</u>	<u>\$ 1,230,200</u>	<u>\$ 4,325,667</u>
<u>Liabilities</u>				
Due to Other Taxing Units	<u>\$ 0</u>	<u>\$ 5,555,867</u>	<u>\$ 1,230,200</u>	<u>\$ 4,325,667</u>
Total Liabilities	<u>\$ 0</u>	<u>\$ 5,555,867</u>	<u>\$ 1,230,200</u>	<u>\$ 4,325,667</u>
<u>Constitutional Officers - Agency Fund</u>				
<u>Assets</u>				
Cash	\$ 4,495,015	\$ 18,500,694	\$ 18,103,125	\$ 4,892,584
Total Assets	<u>\$ 4,495,015</u>	<u>\$ 18,500,694</u>	<u>\$ 18,103,125</u>	<u>\$ 4,892,584</u>
<u>Liabilities</u>				
Due to Other Funds	\$ 288	\$ 290	\$ 288	\$ 290
Due to Litigants, Heirs, and Others	4,494,727	18,500,404	18,102,837	4,892,294
Total Liabilities	<u>\$ 4,495,015</u>	<u>\$ 18,500,694</u>	<u>\$ 18,103,125</u>	<u>\$ 4,892,584</u>

(Continued)

Exhibit H-2

Bradley County, Tennessee
Combining Statement of Changes in Assets and
Liabilities - All Agency Funds (Cont.)

	Beginning Balance	Additions	Deductions	Ending Balance
Totals - All Agency Funds				
<u>Assets</u>				
Cash	\$ 4,495,015	\$ 18,500,694	\$ 18,103,125	\$ 4,892,584
Equity in Pooled Cash and Investments	16,506	26,451,691	21,698,715	4,769,482
Accounts Receivable	0	110	0	110
Due from Other Governments	1,904,344	2,373,394	1,904,343	2,373,395
Due from Other Funds	288	290	288	290
Taxes Receivable	7,941,368	8,076,249	7,941,369	8,076,248
Allowance for Uncollectible Taxes	(368,842)	(421,026)	(368,842)	(421,026)
Total Assets	\$ 13,988,679	\$ 54,981,402	\$ 49,278,998	\$ 19,691,083
<u>Liabilities</u>				
Cash Overdraft	\$ 0	\$ 7,393	\$ 0	\$ 7,393
Due to Other Funds	288	290	288	290
Due to Other Taxing Units	9,368,664	36,473,315	31,050,873	14,791,106
Due to Litigants, Heirs, and Others	4,619,727	18,500,404	18,227,837	4,892,294
Total Liabilities	\$ 13,988,679	\$ 54,981,402	\$ 49,278,998	\$ 19,691,083

Bradley County School Department

This section presents combining and individual fund financial statements for the Bradley County School Department, a discretely presented component unit. The School Department uses a General Fund, two Special Revenue Funds, and a Capital Projects Fund.

General Purpose School Fund – The General Purpose School Fund is used to account for general operations of the School Department.

School Federal Projects Fund – The School Federal Projects Fund is used to account for restricted federal revenues, which must be expended on specific education programs.

Central Cafeteria Fund – The Central Cafeteria Fund is used to account for the cafeteria operations in each of the schools.

Education Capital Projects Fund – The Education Capital Projects Fund is used to account for building projects of the county school system.

Exhibit I-1

Bradley County, Tennessee
Statement of Activities
Discretely Presented Bradley County School Department
For the Year Ended June 30, 2010

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Assets Total Governmental Activities
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	
Governmental Activities:					
Instruction	\$ 49,203,983	\$ 12,503	\$ 5,974,772	\$ 11,886,024	\$ (31,330,684)
Support Services	20,491,466	5,328	613,182	0	(19,872,956)
Operation of Non-Instructional Services	6,693,722	2,040,703	4,426,834	11,425	(214,760)
Total Governmental Activities	\$ 76,389,171	\$ 2,058,534	\$ 11,014,788	\$ 11,897,449	\$ (51,418,400)
General Revenues:					
Taxes:					
Property Taxes Levied for General Purposes					\$ 11,555,769
Local Option Sales Taxes					9,115,681
Interstate Telecommunications Tax					5,141
Grants and Contributions Not Restricted to Specific Programs					41,798,378
Unrestricted Investment Earnings					21,309
Miscellaneous					48,972
Total General Revenues					\$ 62,545,250
Change in Net Assets					\$ 11,126,850
Net Assets, July 1, 2009					63,234,919
Net Assets, June 30, 2010					\$ 74,361,769

Exhibit I-2

Bradley County, Tennessee
Balance Sheet - Governmental Funds
Discretely Presented Bradley County School Department
June 30, 2010

	<u>Major Funds</u>		<u>Nonmajor</u>	<u>Total</u>
	<u>General</u>	<u>Education</u>	<u>Funds</u>	
			<u>Other</u>	
<u>Purpose</u>	<u>Capital</u>	<u>Govern-</u>	<u>Govern-</u>	
<u>School</u>	<u>Projects</u>	<u>mental</u>	<u>mental</u>	
		<u>Funds</u>	<u>Funds</u>	
<u>ASSETS</u>				
Cash	\$ 0	\$ 0	\$ 4,418	\$ 4,418
Equity in Pooled Cash and Investments	10,992,682	3,113,780	1,937,000	16,043,462
Inventories	0	0	139,503	139,503
Due from Other Governments	2,101,945	0	530,000	2,631,945
Property Taxes Receivable	12,385,685	0	0	12,385,685
Allowance for Uncollectible Property Taxes	(485,914)	0	0	(485,914)
Total Assets	<u>\$ 24,994,398</u>	<u>\$ 3,113,780</u>	<u>\$ 2,610,921</u>	<u>\$ 30,719,099</u>
<u>LIABILITIES AND FUND BALANCES</u>				
<u>Liabilities</u>				
Accounts Payable	\$ 892,311	\$ 0	\$ 0	\$ 892,311
Accrued Payroll	5,334,907	0	438,359	5,773,266
Deferred Revenue - Current Property Taxes	11,468,254	0	0	11,468,254
Deferred Revenue - Delinquent Property Taxes	308,360	0	0	308,360
Other Deferred Revenues	778,000	0	0	778,000
Total Liabilities	<u>\$ 18,781,832</u>	<u>\$ 0</u>	<u>\$ 438,359</u>	<u>\$ 19,220,191</u>
<u>Fund Balances</u>				
Reserved for Encumbrances	\$ 3,283,783	\$ 2,709,408	\$ 0	\$ 5,993,191
Reserved for Inventory	0	0	139,503	139,503
Reserved for Career Ladder - Extended Contract	42,163	0	0	42,163
Reserved for Career Ladder Program	2,123	0	0	2,123
Reserved for Title I Grants to Local Education Agencies	0	0	63,694	63,694
Reserved for Special Education - Grants to States	0	0	180,689	180,689
Other Federal Reserves	0	0	263,449	263,449
Unreserved, Reported In:				
General Fund	2,884,497	0	0	2,884,497
Special Revenue Funds	0	0	1,525,227	1,525,227
Capital Projects Funds	0	404,372	0	404,372
Total Fund Balances	<u>\$ 6,212,566</u>	<u>\$ 3,113,780</u>	<u>\$ 2,172,562</u>	<u>\$ 11,498,908</u>
Total Liabilities and Fund Balances	<u>\$ 24,994,398</u>	<u>\$ 3,113,780</u>	<u>\$ 2,610,921</u>	<u>\$ 30,719,099</u>

Exhibit I-3

Bradley County, Tennessee
Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Assets
Discretely Presented Bradley County School Department
June 30, 2010

Amounts reported for governmental activities in the statement of net assets (Exhibit A) are different because:

Total fund balances - balance sheet - governmental funds (Exhibit I-2)		\$ 11,498,908	
(1) Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.			
Add: land	\$ 1,294,715		
Add: construction in progress	6,872,528		
Add: buildings and improvements net of accumulated depreciation	56,417,181		
Add: other capital assets net of accumulated depreciation	<u>306,859</u>	64,891,283	
(2) Long-term liabilities are not due and payable in the current period and therefore are not reported in the governmental funds.			
Less: note payable	\$ (189,520)		
Less: capital lease payable	(334,444)		
Less: other postemployment benefits liability	(2,586,805)		
Less: accrued interest on capital lease	<u>(4,013)</u>	(3,114,782)	
(3) Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the governmental funds.			
		<u>1,086,360</u>	
Net assets of governmental activities (Exhibit A)			<u>\$ 74,361,769</u>

Exhibit I-4

Bradley County, Tennessee
Statement of Revenues, Expenditures,
and Changes in Fund Balances -
Governmental Funds
Discretely Presented Bradley County School Department
For the Year Ended June 30, 2010

	Major Funds		Nonmajor Funds	Total Governmental Funds
	General Purpose School	Education Capital Projects	Other Govern- mental Funds	
<u>Revenues</u>				
Local Taxes	\$ 20,701,396	\$ 0	\$ 0	\$ 20,701,396
Licenses and Permits	4,732	0	0	4,732
Charges for Current Services	16,548	0	2,040,703	2,057,251
Other Local Revenues	81,492	50,638	4,032	136,162
State of Tennessee	41,172,574	0	0	41,172,574
Federal Government	1,067,409	0	10,201,952	11,269,361
Other Governments and Citizens Groups	0	11,836,109	0	11,836,109
Total Revenues	<u>\$ 63,044,151</u>	<u>\$ 11,886,747</u>	<u>\$ 12,246,687</u>	<u>\$ 87,177,585</u>
<u>Expenditures</u>				
Current:				
Instruction	\$ 40,409,296	\$ 0	\$ 5,040,298	\$ 45,449,594
Support Services	19,053,020	0	2,115,727	21,168,747
Operation of Non-Instructional Services	1,761,918	0	4,642,558	6,404,476
Capital Outlay	337,657	0	0	337,657
Capital Projects	0	8,631,899	0	8,631,899
Total Expenditures	<u>\$ 61,561,891</u>	<u>\$ 8,631,899</u>	<u>\$ 11,798,583</u>	<u>\$ 81,992,373</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ 1,482,260</u>	<u>\$ 3,254,848</u>	<u>\$ 448,104</u>	<u>\$ 5,185,212</u>
<u>Other Financing Sources (Uses)</u>				
Transfers In	\$ 47,390	\$ 0	\$ 300,000	\$ 347,390
Transfers Out	(300,000)	0	(47,390)	(347,390)
Total Other Financing Sources (Uses)	<u>\$ (252,610)</u>	<u>\$ 0</u>	<u>\$ 252,610</u>	<u>\$ 0</u>
Net Change in Fund Balances	\$ 1,229,650	\$ 3,254,848	\$ 700,714	\$ 5,185,212
Fund Balance, July 1, 2009	<u>4,982,916</u>	<u>(141,068)</u>	<u>1,471,848</u>	<u>6,313,696</u>
Fund Balance, June 30, 2010	<u>\$ 6,212,566</u>	<u>\$ 3,113,780</u>	<u>\$ 2,172,562</u>	<u>\$ 11,498,908</u>

Exhibit I-5

Bradley County, Tennessee
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances
of Governmental Funds to the Statement of Activities
Discretely Presented Bradley County School Department
For the Year Ended June 30, 2010

Amounts reported for governmental activities in the statement of activities (Exhibit B) are different because:

Net change in fund balances - total governmental funds (Exhibit I-4)		\$ 5,185,212
(1) Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of these assets is allocated over their estimated useful lives and reported as depreciation expense. The difference between capital outlays and depreciation is itemized as follows:		
Add: capital assets purchased in the current period	\$ 9,028,038	
Less: current year depreciation expense	<u>(2,435,901)</u>	6,592,137
(2) Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the fund.		
Less: deferred delinquent property taxes and other deferred June 30, 2009	\$ (979,947)	
Add: deferred delinquent property taxes and other deferred June 30, 2010	<u>1,086,360</u>	106,413
(3) The issuance of long-term debt (e.g., bonds, notes, other loans, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net assets. Also, governmental funds report the effect of issuance costs, premiums, discounts and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. This amount is the net effect of these differences in the treatment of long-term debt and related items.		
Add: principal payments on note	\$ 47,380	
Add: principal payments on capital lease	<u>74,262</u>	121,642
(4) Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in the governmental funds.		
Change in other postemployment benefits liability	\$ (879,445)	
Change in accrued interest on capital lease	<u>891</u>	<u>(878,554)</u>
Change in net assets of governmental activities (Exhibit B)		<u>\$ 11,126,850</u>

Exhibit I-6

Bradley County, Tennessee
Combining Balance Sheet - Nonmajor Governmental Funds
Discretely Presented Bradley County School Department
June 30, 2010

	<u>Special Revenue Funds</u>		<u>Total</u>
	<u>School</u>	<u>Central</u>	<u>Nonmajor</u>
	<u>Federal</u>	<u>Cafeteria</u>	<u>Governmental</u>
	<u>Projects</u>		<u>Funds</u>
<u>ASSETS</u>			
Cash	\$ 0	\$ 4,418	\$ 4,418
Equity in Pooled Cash and Investments	416,191	1,520,809	1,937,000
Inventories	0	139,503	139,503
Due from Other Governments	530,000	0	530,000
Total Assets	<u>\$ 946,191</u>	<u>\$ 1,664,730</u>	<u>\$ 2,610,921</u>
<u>LIABILITIES AND FUND BALANCES</u>			
<u>Liabilities</u>			
Accrued Payroll	\$ 438,359	\$ 0	\$ 438,359
Total Liabilities	<u>\$ 438,359</u>	<u>\$ 0</u>	<u>\$ 438,359</u>
<u>Fund Balances</u>			
Reserved for Inventory	\$ 0	\$ 139,503	\$ 139,503
Reserved for Title I Grants to Local Education Agencies	63,694	0	63,694
Reserved for Special Education - Grants to States	180,689	0	180,689
Other Federal Reserves	263,449	0	263,449
Unreserved	0	1,525,227	1,525,227
Total Fund Balances	<u>\$ 507,832</u>	<u>\$ 1,664,730</u>	<u>\$ 2,172,562</u>
Total Liabilities and Fund Balances	<u>\$ 946,191</u>	<u>\$ 1,664,730</u>	<u>\$ 2,610,921</u>

Exhibit I-7

Bradley County, Tennessee
Combining Statement of Revenues, Expenditures,
and Changes in Fund Balances -
Nonmajor Governmental Funds
Discretely Presented Bradley County School Department
For the Year Ended June 30, 2010

	<u>Special Revenue Funds</u>		Total
	School	Central	Nonmajor
	Federal	Cafeteria	Governmental
	Projects		Funds
<u>Revenues</u>			
Charges for Current Services	\$ 0	\$ 2,040,703	\$ 2,040,703
Other Local Revenues	0	4,032	4,032
Federal Government	7,356,107	2,845,845	10,201,952
Total Revenues	<u>\$ 7,356,107</u>	<u>\$ 4,890,580</u>	<u>\$ 12,246,687</u>
<u>Expenditures</u>			
Current:			
Instruction	\$ 5,040,298	\$ 0	\$ 5,040,298
Support Services	2,115,727	0	2,115,727
Operation of Non-Instructional Services	0	4,642,558	4,642,558
Total Expenditures	<u>\$ 7,156,025</u>	<u>\$ 4,642,558</u>	<u>\$ 11,798,583</u>
Excess (Deficiency) of Revenues			
Over Expenditures	<u>\$ 200,082</u>	<u>\$ 248,022</u>	<u>\$ 448,104</u>
<u>Other Financing Sources (Uses)</u>			
Transfers In	\$ 300,000	\$ 0	\$ 300,000
Transfers Out	(47,390)	0	(47,390)
Total Other Financing Sources (Uses)	<u>\$ 252,610</u>	<u>\$ 0</u>	<u>\$ 252,610</u>
Net Change in Fund Balances	\$ 452,692	\$ 248,022	\$ 700,714
Fund Balance, July 1, 2009	55,140	1,416,708	1,471,848
Fund Balance, June 30, 2010	<u>\$ 507,832</u>	<u>\$ 1,664,730</u>	<u>\$ 2,172,562</u>

Exhibit I-8

Bradley County, Tennessee
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Actual (Budgetary Basis) and Budget
Discretely Presented Bradley County School Department
General Purpose School Fund
For the Year Ended June 30, 2010

	Actual (GAAP Basis)	Add: Encumbrances 6/30/2010	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
				Original	Final	
<u>Revenues</u>						
Local Taxes	\$ 20,701,396	\$ 0	\$ 20,701,396	\$ 21,368,993	\$ 20,368,993	\$ 332,403
Licenses and Permits	4,732	0	4,732	5,000	5,000	(268)
Charges for Current Services	16,548	0	16,548	20,000	20,000	(3,452)
Other Local Revenues	81,492	0	81,492	170,000	110,000	(28,508)
State of Tennessee	41,172,574	0	41,172,574	39,211,700	41,327,016	(154,442)
Federal Government	1,067,409	0	1,067,409	301,000	1,124,024	(56,615)
Total Revenues	\$ 63,044,151	\$ 0	\$ 63,044,151	\$ 61,076,693	\$ 62,955,033	\$ 89,118
<u>Expenditures</u>						
<u>Instruction</u>						
Regular Instruction Program	\$ 36,070,995	\$ 0	\$ 36,070,995	\$ 35,816,699	\$ 36,483,948	\$ 412,953
Special Education Program	1,729,600	0	1,729,600	2,929,600	1,729,600	0
Vocational Education Program	2,455,378	0	2,455,378	2,481,050	2,481,050	25,672
Adult Education Program	153,323	0	153,323	180,000	180,000	26,677
<u>Support Services</u>						
Attendance	123,417	0	123,417	137,550	137,550	14,133
Health Services	526,761	0	526,761	439,550	534,550	7,789
Other Student Support	1,728,734	0	1,728,734	1,731,050	1,731,050	2,316
Regular Instruction Program	1,888,251	0	1,888,251	1,913,900	1,913,900	25,649
Special Education Program	627,901	0	627,901	627,900	627,901	0
Vocational Education Program	116,140	0	116,140	116,850	116,850	710
Other Programs	805,318	0	805,318	0	805,318	0
Board of Education	744,003	0	744,003	819,600	819,600	75,597
Director of Schools	338,034	0	338,034	351,200	351,200	13,166

(Continued)

Exhibit I-8

Bradley County, Tennessee
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Actual (Budgetary Basis) and Budget
Discretely Presented Bradley County School Department
General Purpose School Fund (Cont.)

	Actual (GAAP Basis)	Add: Encumbrances 6/30/2010	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
				Original	Final	
<u>Expenditures (Cont.)</u>						
<u>Support Services (Cont.)</u>						
Office of the Principal	\$ 3,339,291	\$ 0	\$ 3,339,291	\$ 3,415,050	\$ 3,375,050	\$ 35,759
Fiscal Services	332,386	0	332,386	336,900	336,900	4,514
Operation of Plant	4,330,059	0	4,330,059	4,644,850	4,494,850	164,791
Maintenance of Plant	1,486,713	0	1,486,713	1,072,800	1,491,456	4,743
Transportation	2,081,628	0	2,081,628	2,112,100	2,112,100	30,472
Central and Other	584,384	0	584,384	554,150	595,049	10,665
<u>Operation of Non-Instructional Services</u>						
Food Service	73,147	0	73,147	74,400	74,400	1,253
Community Services	421,924	0	421,924	0	423,000	1,076
Early Childhood Education	1,266,847	0	1,266,847	0	1,291,391	24,544
Capital Outlay						
Regular Capital Outlay	337,657	3,283,783	3,621,440	3,150,000	3,622,077	637
Total Expenditures	\$ 61,561,891	\$ 3,283,783	\$ 64,845,674	\$ 62,905,199	\$ 65,728,790	\$ 883,116
<u>Excess (Deficiency) of Revenues</u>						
Over Expenditures	\$ 1,482,260	\$ (3,283,783)	\$ (1,801,523)	\$ (1,828,506)	\$ (2,773,757)	\$ 972,234
<u>Other Financing Sources (Uses)</u>						
Transfers In	\$ 47,390	\$ 0	\$ 47,390	\$ 35,000	\$ 50,000	\$ (2,610)
Transfers Out	(300,000)	0	(300,000)	0	(300,000)	0
Total Other Financing Sources (Uses)	\$ (252,610)	\$ 0	\$ (252,610)	\$ 35,000	\$ (250,000)	\$ (2,610)
Net Change in Fund Balance	\$ 1,229,650	\$ (3,283,783)	\$ (2,054,133)	\$ (1,793,506)	\$ (3,023,757)	\$ 969,624
Fund Balance, July 1, 2009	4,982,916	0	4,982,916	4,578,812	4,407,564	575,352
Fund Balance, June 30, 2010	\$ 6,212,566	\$ (3,283,783)	\$ 2,928,783	\$ 2,785,306	\$ 1,383,807	\$ 1,544,976

Exhibit I-9

Bradley County, Tennessee
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Actual and Budget
Discretely Presented Bradley County School Department
School Federal Projects Fund
For the Year Ended June 30, 2010

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Federal Government	\$ 7,356,107	\$ 10,473,793	\$ 10,482,830	\$ (3,126,723)
Total Revenues	\$ 7,356,107	\$ 10,473,793	\$ 10,482,830	\$ (3,126,723)
<u>Expenditures</u>				
<u>Instruction</u>				
Regular Instruction Program	\$ 1,982,251	\$ 2,052,264	\$ 2,052,264	\$ 70,013
Special Education Program	2,964,507	4,333,513	4,333,513	1,369,006
Vocational Education Program	93,540	93,540	93,540	0
<u>Support Services</u>				
Other Student Support	83,802	95,088	97,992	14,190
Regular Instruction Program	913,056	1,102,649	1,102,649	189,593
Special Education Program	1,012,216	2,694,458	2,694,458	1,682,242
Transportation	106,653	200,300	200,300	93,647
Total Expenditures	\$ 7,156,025	\$ 10,571,812	\$ 10,574,716	\$ 3,418,691
Excess (Deficiency) of Revenues Over Expenditures	\$ 200,082	\$ (98,019)	\$ (91,886)	\$ 291,968
<u>Other Financing Sources (Uses)</u>				
Transfers In	\$ 300,000	\$ 0	\$ 0	\$ 300,000
Transfers Out	(47,390)	(104,995)	(104,995)	57,605
Total Other Financing Sources (Uses)	\$ 252,610	\$ (104,995)	\$ (104,995)	\$ 357,605
Net Change in Fund Balance	\$ 452,692	\$ (203,014)	\$ (196,881)	\$ 649,573
Fund Balance, July 1, 2009	55,140	203,014	196,881	(141,741)
Fund Balance, June 30, 2010	\$ 507,832	\$ 0	\$ 0	\$ 507,832

Exhibit I-10

Bradley County, Tennessee
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Actual and Budget
Discretely Presented Bradley County School Department
Central Cafeteria Fund
For the Year Ended June 30, 2010

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Charges for Current Services	\$ 2,040,703	\$ 2,465,000	\$ 2,465,000	\$ (424,297)
Other Local Revenues	4,032	15,000	15,000	(10,968)
Federal Government	2,845,845	2,870,000	2,870,000	(24,155)
Total Revenues	<u>\$ 4,890,580</u>	<u>\$ 5,350,000</u>	<u>\$ 5,350,000</u>	<u>\$ (459,420)</u>
<u>Expenditures</u>				
<u>Operation of Non-Instructional Services</u>				
Food Service	\$ 4,642,558	\$ 5,350,000	\$ 5,350,000	\$ 707,442
Total Expenditures	<u>\$ 4,642,558</u>	<u>\$ 5,350,000</u>	<u>\$ 5,350,000</u>	<u>\$ 707,442</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ 248,022</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 248,022</u>
Net Change in Fund Balance	\$ 248,022	\$ 0	\$ 0	\$ 248,022
Fund Balance, July 1, 2009	<u>1,416,708</u>	<u>0</u>	<u>0</u>	<u>1,416,708</u>
Fund Balance, June 30, 2010	<u>\$ 1,664,730</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 1,664,730</u>

MISCELLANEOUS SCHEDULES

Exhibit J-1

Bradley County, Tennessee
Schedule of Changes in Long-term Bonds, Notes, Other Loans, and Capital Leases
Primary Government and Discretely Presented Bradley County School Department
For the Year Ended June 30, 2010

Description of Indebtedness	Original Amount of Issue	Interest Rate	Date of Issue	Last Maturity Date	Outstanding 7-1-09	Issued During Period	Paid and/or Matured During Period	Outstanding 6-30-10
<u>PRIMARY GOVERNMENT</u>								
<u>BONDS PAYABLE</u>								
<u>Payable through General Debt Service Fund</u>								
Build America Bonds 2009	\$ 17,550,000	5 to 5.55 (1) %	9-10-09	6-1-29	\$ 0	\$ 17,550,000	\$ 0	\$ 17,550,000
Total Bonds Payable					\$ 0	\$ 17,550,000	\$ 0	\$ 17,550,000
<u>NOTES PAYABLE</u>								
<u>Payable through General Debt Service Fund</u>								
Baseball Facility - BCHS	500,000	2.25 to 3.7	11-18-04	11-1-14	\$ 325,000	\$ 0	\$ 50,000	\$ 275,000
Energy Efficiency	168,340	0	6-4-07	6-4-15	120,242	0	24,049	96,193
Emergency Management Tower	240,000	5	10-15-09	10-15-12	0	240,000	0	240,000
Total Notes Payable					\$ 445,242	\$ 240,000	\$ 74,049	\$ 611,193
<u>OTHER LOANS PAYABLE</u>								
<u>Payable through General Debt Service Fund</u>								
Refunding Loan Series VII-A-5	6,560,000	Variable	8-28-08	6-1-18	\$ 6,045,000	\$ 0	\$ 540,000	\$ 5,505,000
Refunding Loan Series V-I-1	12,050,000	3 to 4.25	2-18-09	6-30-21	12,050,000	0	0	12,050,000
Refunding Loan Series E-6-A	48,210,000	(2) Variable	9-4-08	6-1-26	46,900,000	0	1,810,000	45,090,000
Total Other Loans Payable					\$ 64,995,000	\$ 0	\$ 2,350,000	\$ 62,645,000

(Continued)

Exhibit J-1

Bradley County, Tennessee
Schedule of Changes in Long-term Bonds, Notes, Other Loans, and Capital Leases
Primary Government and Discretely Presented Bradley County School Department (Cont.)

Description of Indebtedness	Original Amount of Issue	Interest Rate	Date of Issue	Last Maturity Date	Outstanding 7-1-09	Issued During Period	Paid and/or Matured During Period	Outstanding 6-30-10
<u>PRIMARY GOVERNMENT (CONT.)</u>								
<u>CAPITAL LEASES PAYABLE</u>								
<u>Payable through General Fund</u>	\$							
Patrol Cars	233,252	5.6	12-28-07	12-28-09	\$ 77,673	\$ 0	\$ 77,673	\$ 0
Patrol Cars	20,060	6.6	2-4-09	2-4-11	12,942	0	6,264	6,678
Patrol Cars	131,519	5	11-25-08	11-25-10	85,460	0	41,658	43,802
Patrol Car	20,302	6.15	1-13-10	1-13-12	0	20,302	7,175	13,127
Patrol Cars	173,434	4.65	12-14-09	12-14-11	0	173,434	60,458	112,976
Total Capital Leases Payable					\$ 176,075	\$ 193,736	\$ 193,228	\$ 176,583
<u>DISCRETELY PRESENTED BRADLEY COUNTY</u>								
<u>SCHOOL DEPARTMENT</u>								
<u>NOTE PAYABLE</u>								
<u>Payable through General Purpose School Fund</u>								
Lighting Project	331,660	0	6-4-07	6-15-14	\$ 236,900	\$ 0	\$ 47,380	\$ 189,520
Total Note Payable					\$ 236,900	\$ 0	\$ 47,380	\$ 189,520
<u>CAPITAL LEASES PAYABLE</u>								
<u>Payable through General Purpose School Fund</u>								
Lighting Project	547,182	4.8	5-18-07	4-1-14	\$ 408,706	\$ 0	\$ 74,262	\$ 334,444
Total Capital Leases Payable					\$ 408,706	\$ 0	\$ 74,262	\$ 334,444

- (1) The county receives a direct federal subsidy equal to 35 percent of the total coupon interest paid.
(2) The loan agreements refunded by a portion of this issue were swapped from variable to a synthetic fixed rate by execution of swap agreements.

Exhibit J-2

Bradley County, Tennessee
Schedule of Long-term Debt Requirements by Year
Primary Government and Discretely Presented Bradley County School Department

PRIMARY GOVERNMENT

Year Ending June 30	Bonds			Total
	Principal	Interest	Subsidy (1)	
2011	\$ 0	\$ 935,080	\$ (327,278)	\$ 607,802
2012	0	935,080	(327,278)	607,802
2013	0	935,080	(327,278)	607,802
2014	0	935,080	(327,278)	607,802
2015	0	935,080	(327,278)	607,802
2016	0	935,080	(327,278)	607,802
2017	0	935,080	(327,278)	607,802
2018	0	935,080	(327,278)	607,802
2019	0	935,080	(327,278)	607,802
2020	0	935,080	(327,278)	607,802
2021	0	935,080	(327,278)	607,802
2022	1,850,000	935,080	(327,278)	2,457,802
2023	1,950,000	842,580	(294,903)	2,497,677
2024	2,050,000	745,275	(260,846)	2,534,429
2025	2,150,000	639,290	(223,752)	2,565,538
2026	0	525,985	(184,095)	341,890
2027	3,050,000	525,985	(184,095)	3,391,890
2028	3,200,000	359,150	(125,702)	3,433,448
2029	3,300,000	183,150	(64,102)	3,419,048
Total	\$ 17,550,000	\$ 15,042,375	\$ (5,264,831)	\$ 27,327,544

(1) The U.S. Treasury Department directly subsidizes this debt.

Year Ending June 30	Notes		Total
	Principal	Interest	
2011	\$ 159,648	\$ 23,182	\$ 182,830
2012	169,784	16,338	186,122
2013	142,712	9,010	151,722
2014	79,049	3,224	82,273
2015	60,000	1,110	61,110
Total	\$ 611,193	\$ 52,864	\$ 664,057

(Continued)

Exhibit J-2

Bradley County, Tennessee

Schedule of Long-term Debt Requirements by Year

Primary Government and Discretely Presented Bradley County School Department (Cont.)

PRIMARY GOVERNMENT (CONT.)

Year Ending June 30	Other Loans			Total
	Principal	Interest	Other Fees	
2011	\$ 2,450,000	\$ 492,546	\$ 872,899	\$ 3,815,445
2012	3,535,000	486,233	837,317	4,858,550
2013	3,695,000	451,894	799,310	4,946,204
2014	3,860,000	415,909	759,666	5,035,575
2015	4,035,000	379,088	717,848	5,131,936
2016	4,280,000	336,267	673,771	5,290,038
2017	4,480,000	289,411	627,736	5,397,147
2018	4,685,000	239,101	578,821	5,502,922
2019	4,905,000	190,229	527,325	5,622,554
2020	5,140,000	147,113	459,698	5,746,811
2021	5,390,000	100,276	388,553	5,878,829
2022	2,420,000	42,094	271,344	2,733,438
2023	2,545,000	35,802	230,785	2,811,587
2024	2,680,000	29,185	188,131	2,897,316
2025	2,790,000	22,217	143,214	2,955,431
2026	5,755,000	14,963	96,454	5,866,417
Total	\$ 62,645,000	\$ 3,672,328	\$ 8,172,872	\$ 74,490,200

Year Ending June 30	Capital Leases		
	Principal	Interest	Total
2011	\$ 112,052	\$ 8,757	\$ 120,809
2012	64,531	3,102	67,633
Total	\$ 176,583	\$ 11,859	\$ 188,442

(Continued)

Exhibit J-2

Bradley County, Tennessee
Schedule of Long-term Debt Requirements by Year
Primary Government and Discretely Presented Bradley County School Department (Cont.)

DISCRETELY PRESENTED BRADLEY
COUNTY SCHOOL DEPARTMENT

Year Ending June 30	Notes		Total
	Principal	Interest	
2011	\$ 47,380	\$ 0	\$ 47,380
2012	47,380	0	47,380
2013	47,380	0	47,380
2014	47,380	0	47,380
Total	\$ 189,520	\$ 0	\$ 189,520

Year Ending June 30	Capital Leases		Total
	Principal	Interest	
2011	\$ 77,826	\$ 16,054	\$ 93,880
2012	81,562	12,318	93,880
2013	85,477	8,403	93,880
2014	89,579	4,301	93,880
Total	\$ 334,444	\$ 41,076	\$ 375,520

Exhibit J-3

Bradley County, Tennessee
Schedule of Investments
June 30, 2010

<u>Description</u>	<u>Amount</u>
<u>Endowment Fund</u>	
U.S. Treasury Bill	<u>\$ 4,299,892</u>
Total	<u><u>\$ 4,299,892</u></u>

Exhibit J-4

Bradley County, Tennessee
 Schedule of Notes Receivable
 June 30, 2010

Description	Debtor	Original Amount of Note	Date of Issue	Date of Maturity	Interest Rate	Balance 6-30-10
<u>HUD Grant Projects Fund</u>						
H.O.U.S.E. Down Payment Assistance	Hugh Wilson	\$ 4,000	12-2-1992	12-2-22	0 %	\$ 3,311
H.O.U.S.E. Down Payment Assistance	Paula Payne	5,000	5-5-1993	5-5-23	0	3,023
H.O.U.S.E. Down Payment Assistance	Timmie Varner	3,500	10-5-1993	10-5-23	0	1,585
H.O.U.S.E. Down Payment Assistance	Rebecca Young	2,200	4-27-1994	4-27-24	0	1,626
H.O.U.S.E. Down Payment Assistance	Beryl Paul Jr.	3,600	5-25-1994	5-25-24	0	2,540
H.O.U.S.E. Down Payment Assistance	Donna Yarber	1,800	10-4-1994	10-4-24	0	1,055
H.O.U.S.E. Down Payment Assistance	Robin Sharp	14,700	10-24-1994	10-24-24	0	11,638
H.O.U.S.E. Down Payment Assistance	Patricia Kendrick	2,300	1-17-1995	1-17-25	0	1,770
H.O.U.S.E. Down Payment Assistance	Angela Thornton	1,300	3-2-1995	3-2-25	0	648
H.O.U.S.E. Down Payment Assistance	Kim Swafford	5,000	5-12-1995	5-12-25	0	3,583
H.O.U.S.E. Down Payment Assistance	Yolandia Thomas	2,100	5-22-1995	5-22-25	0	1,826
H.O.U.S.E. Down Payment Assistance	Christine Scott	1,500	5-20-1995	5-20-25	0	1,400

Total

\$ 34,004

Exhibit J-5

Bradley County, Tennessee
Schedule of Transfers
Primary Government and Discretely Presented Bradley County School Department
For the Year Ended June 30, 2010

<u>From Fund</u>	<u>To Fund</u>	<u>Purpose</u>	<u>Amount</u>
<u>PRIMARY GOVERNMENT</u>			
General	Other Capital Projects	Greenway Project	\$ 10,000
General	General Debt Service	Debt repayments	156,250
Special Purpose Fire Tax	General	Reimbursement	194,675
Vocational Building	General	To close fund	44,182
Vocational Building	General Debt Service	Debt repayments	80,875
General Capital Projects	Community Development/Industrial Park	Various projects	50,000
Other Capital Projects	General	To close fund	<u>58,775</u>
Total Transfers Primary Government			<u>\$ 594,757</u>
<u>DISCRETELY PRESENTED BRADLEY COUNTY SCHOOL DEPARTMENT</u>			
General Purpose School	School Federal Projects	Operations	\$ 300,000
School Federal Projects	General Purpose School	Indirect costs	<u>47,390</u>
Total Transfers Discretely Presented Bradley County School Department			<u>\$ 347,390</u>

Exhibit J-6

Bradley County, Tennessee
Schedule of Salaries and Official Bonds of Principal Officials
Primary Government and Discretely Presented Bradley County School Department
For the Year Ended June 30, 2010

Official	Authorization for Salary	Salary Paid During Period	Bond	Surety
County Mayor	Section 8-24-102, <u>TCA</u> and County Commission	\$ 87,547 (1)	\$ 50,000	St. Paul Travelers
Highway Superintendent	Section 8-24-102, <u>TCA</u> and County Commission	80,320	100,000	"
Director of Schools	State Board of Education and Bradley County Board of Education	112,587 (2)	(3)	
Trustee	Section 8-24-102, <u>TCA</u> and County Commission	73,017	2,371,000	St. Paul Travelers
Assessor of Property	Section 8-24-102, <u>TCA</u> and County Commission	73,017	10,000	Travelers Casualty and Surety Company of America
County Clerk	Section 8-24-102, <u>TCA</u> and County Commission	73,017	50,000	St. Paul Travelers
Circuit Court Clerk	Section 8-24-102, <u>TCA</u> and County Commission	73,017	50,000	"
Clerk and Master	Section 8-24-102, <u>TCA</u> and County Commission	73,017	50,000	Travelers Casualty and Surety Company of America
Register	Section 8-24-102, <u>TCA</u> and County Commission	73,017	25,000	St. Paul Travelers
Sheriff	Section 8-24-102, <u>TCA</u> and County Commission	80,320	25,000	"
Other Bonds:				
Public Employee Dishonesty			150,000	Local Government Property and Casualty Fund
School Employee Dishonesty			150,000	Tennessee Risk Management Trust

- (1) Includes compensation of \$3,000 as county purchasing agent.
- (2) Does not include a travel allowance of \$12,060, life and disability insurance of \$2,038, career ladder of \$1,000, and retirement reimbursement of \$6,232.
- (3) The director of schools is covered under the school employee dishonesty bond.

Exhibit J-7

Bradley County, Tennessee
 Schedule of Detailed Revenues -
 All Governmental Fund Types
 For the Year Ended June 30, 2010

	Special Revenue Funds						
	General	Law Library	Public Library	Waste / Sanitation	Drug Control	Agri- Business	
<u>Local Taxes</u>							
<u>County Property Taxes</u>							
Current Property Tax	\$ 8,710,235	0	523,146	0	0	0	0
Trustee's Collections - Prior Year	276,257	0	21,980	0	0	0	0
Circuit/Clerk & Master Collections - Prior Years	183,772	0	10,981	0	0	0	0
Interest and Penalty	54,343	0	3,295	0	0	0	0
Payments in-Lieu-of Taxes - T.V.A.	6,483	0	393	0	0	0	0
Payments in-Lieu-of Taxes - Local Utilities	2,534	0	154	0	0	0	0
Payments in-Lieu-of Taxes - Other	39,831	0	2,414	0	0	0	0
<u>County Local Option Taxes</u>							
Local Option Sales Tax	3,780,331	0	0	0	0	0	0
Hotel/Motel Tax	425,077	0	0	0	0	0	141,692
Litigation Tax - General	360,674	0	0	0	0	0	0
Litigation Tax - Special Purpose	68,510	516	0	0	0	0	0
Litigation Tax - Jail, Workhouse, or Courthouse	80,177	0	0	0	0	0	0
Business Tax	901,288	0	0	0	0	0	0
<u>Statutory Local Taxes</u>							
Bank Excise Tax	69,551	0	4,216	0	0	0	0
Wholesale Beer Tax	300,090	0	0	0	0	0	0
Interstate Telecommunications Tax	3,989	0	0	0	0	0	0
Total Local Taxes	\$ 15,263,142	516	566,579	0	0	0	141,692
<u>Licenses and Permits</u>							
<u>Licenses</u>							
Cable TV Franchise	\$ 197,076	0	0	0	0	0	0
<u>Permits</u>							
Beer Permits	5,534	0	0	0	0	0	0
Building Permits	80,936	0	0	0	0	0	0
Electrical Permits	1,224	0	0	0	0	0	0
Total Licenses and Permits	\$ 284,770	0	0	0	0	0	0

(Continued)

Bradley County, Tennessee
 Schedule of Detailed Revenues -
 All Governmental Fund Types (Cont.)

	Special Revenue Funds						
	General	Law Library	Public Library	Solid Waste / Sanitation	Drug Control	Agri- Business	
<u>Fines, Forfeitures, and Penalties</u>							
<u>Circuit Court</u>							
Fines	\$ 16,293	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	0
Officers Costs	11,642	0	0	0	0	0	0
Drug Control Fines	0	0	0	0	32,860	0	0
Jail Fees	3,191	0	0	0	0	0	0
Data Entry Fee - Circuit Court	16,763	0	0	0	0	0	0
Courtroom Security Fee	1,862	0	0	0	0	0	0
<u>Criminal Court</u>							
Fines	139,969	1,170	0	0	0	0	0
Officers Costs	124,849	0	0	0	0	0	0
Drug Control Fines	35,119	0	0	0	35,119	0	0
Jail Fees	71,239	0	0	0	0	0	0
DUI Treatment Fines	26,306	0	0	0	0	0	0
Data Entry Fee - Criminal Court	6,385	0	0	0	0	0	0
Courtroom Security Fee	189	0	0	0	0	0	0
<u>General Sessions Court</u>							
Fines for Littering	731	0	0	0	0	0	0
Officers Costs	13,055	0	0	0	0	0	0
Jail Fees	19,719	0	0	0	0	0	0
Data Entry Fee - General Sessions Court	11,835	0	0	0	0	0	0
<u>Juvenile Court</u>							
Fines	2,407	0	0	0	0	0	0
Courtroom Security Fee	34	0	0	0	0	0	0
Victims Assistance Assessments	9,994	0	0	0	0	0	0
<u>Chancery Court</u>							
Officers Costs	209	0	0	0	0	0	0
Data Entry Fee - Chancery Court	4,796	0	0	0	0	0	0
Courtroom Security Fee	86	0	0	0	0	0	0
<u>Other Courts - In-county</u>							
Fines	11,921	0	0	0	0	0	0
Drug Court Fees	65,816	0	0	0	0	0	0

(Continued)

Exhibit J-7

Bradley County, Tennessee
 Schedule of Detailed Revenues -
 All Governmental Fund Types (Cont.)

	Special Revenue Funds					
	General	Law Library	Public Library	Solid Waste / Sanitation	Drug Control	Agri- Business
<u>Fines, Forfeitures, and Penalties (Cont.)</u>						
<u>Other Fines, Forfeitures, and Penalties</u>						
Proceeds from Confiscated Property	\$ 0	\$ 0	\$ 0	\$ 0	\$ 35,299	\$ 0
Total Fines, Forfeitures, and Penalties	\$ 594,410	\$ 1,170	\$ 0	\$ 0	\$ 103,278	\$ 0
<u>Charges for Current Services</u>						
<u>General Service Charges</u>						
Surcharge - Host Agency	\$ 0	\$ 0	\$ 0	\$ 223,442	\$ 0	\$ 0
Water Treatment Charges	2,650	0	0	0	0	0
Patient Charges	3,803,554	0	0	0	0	0
Zoning Studies	270	0	0	0	0	0
Work Release Charges for Board	6,711	0	0	0	0	0
Other General Service Charges	38,626	0	0	0	0	0
Service Charges	1,200	0	0	0	0	0
<u>Fees</u>						
Subdivision Lot Fees	200	0	0	0	0	0
Engineer Review Fees	7,288	0	0	0	0	0
Recreation Fees	132,212	0	0	0	0	0
Copy Fees	5,769	0	0	0	0	0
Library Fees	0	10,995	0	0	0	0
Telephone Commissions	140,602	0	0	0	0	0
Constitutional Officers' Fees and Commissions	0	0	0	0	0	0
Data Processing Fee - Register	32,818	0	0	0	0	0
Probation Fees	326,145	0	0	0	0	0
Data Processing Fee - Sheriff	1,710	0	0	0	0	0
Sexual Offender Registration Fees - Sheriff	3,910	0	0	0	0	0
<u>Education Charges</u>						
Community Service Fees - Adults	8,064	0	0	0	0	0
<u>Other Charges for Services</u>						
Other Charges for Services	20,495	0	0	0	0	0
Total Charges for Current Services	\$ 4,532,224	\$ 10,995	\$ 0	\$ 223,442	\$ 0	\$ 0

(Continued)

Bradley County, Tennessee
 Schedule of Detailed Revenues -
 All Governmental Fund Types (Cont.)

	Special Revenue Funds						
	General	Law Library	Public Library	Waste / Sanitation	Drug Control	Agri-Business	
<u>Other Local Revenues</u>							
<u>Recurring Items</u>							
Investment Income	\$ 355,957	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Lease/Rentals	73,270	0	0	0	0	0	0
Sale of Materials and Supplies	1,315	0	0	0	0	0	0
Commissary Sales	119,458	0	0	0	0	0	0
Sale of Maps	5,416	0	0	0	0	0	0
Sale of Recycled Materials	0	0	0	251	0	0	0
Miscellaneous Refunds	50,450	0	0	0	572	0	0
<u>Nonrecurring Items</u>							
Sale of Equipment	4,602	0	0	0	0	0	0
Sale of Property	1,009	0	0	0	0	0	0
Damages Recovered from Individuals	4,070	0	0	0	0	0	0
Contributions and Gifts	20,022	0	0	0	100	26,470	0
<u>Other Local Revenues</u>							
Other Local Revenues	137,313	0	0	0	0	0	0
Total Other Local Revenues	\$ 772,882	\$ 0	\$ 0	\$ 251	\$ 672	\$ 26,470	\$ 0
<u>Fees Received from County Officials</u>							
<u>Excess Fees</u>							
Clerk and Master	\$ 182,682	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Register	94,120	0	0	0	0	0	0
Trustee	665,387	0	0	0	0	0	0
<u>Fees in-Lieu-of Salary</u>							
Circuit Court Clerk	341,991	0	0	0	0	0	0
Criminal Court Clerk	535,586	0	0	0	0	0	0
General Sessions Court Clerk	533,854	0	0	0	0	0	0
Sheriff	18,112	0	0	0	0	0	0
Total Fees Received from County Officials	\$ 2,371,732	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0

(Continued)

Bradley County, Tennessee
Schedule of Detailed Revenues -
All Governmental Fund Types (Cont.)

	Special Revenue Funds					
	General	Law Library	Public Library	Solid Waste / Sanitation	Drug Control	Agri- Business
<u>State of Tennessee</u>						
<u>General Government Grants</u>						
Juvenile Services Program	\$ 67,186	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Solid Waste Grants	0	0	0	47,308	0	0
Other General Government Grants	0	0	0	0	0	0
<u>Public Safety Grants</u>						
Drug Control Grants	110,344	0	0	0	0	0
<u>Health and Welfare Grants</u>						
Health Department Programs	1,124,276	0	0	0	0	0
<u>Public Works Grants</u>						
Bridge Program	0	0	0	0	0	0
Litter Program	0	0	0	0	0	0
<u>Other State Revenues</u>						
Income Tax	49,620	0	2,651	0	0	0
Beer Tax	17,778	0	0	0	0	0
Alcoholic Beverage Tax	103,072	0	0	0	0	0
Mixed Drink Tax	9,856	0	0	0	0	0
State Revenue Sharing - T.V.A.	244,647	0	14,829	0	0	0
Contracted Prisoner Boarding	1,244,030	0	0	0	0	0
Gasoline and Motor Fuel Tax	0	0	0	0	0	0
Petroleum Special Tax	0	0	0	0	0	0
Reappraisal Program Reimbursement	22,651	0	0	0	0	0
Registrar's Salary Supplement	16,380	0	0	0	0	0
State Shared Sales Tax - Cities	10,800	0	0	0	0	0
Other State Grants	294,728	0	0	0	0	0
Other State Revenues	60,000	0	0	0	0	0
Total State of Tennessee	\$ 3,375,368	\$ 0	\$ 17,480	\$ 47,308	\$ 0	\$ 0
<u>Federal Government</u>						
<u>Federal Through State</u>						
Community Development	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Civil Defense Reimbursement	86,610	0	0	0	0	0

(Continued)

Bradley County, Tennessee
Schedule of Detailed Revenues -
All Governmental Fund Types (Cont.)

	Special Revenue Funds						
	General	Law Library	Public Library	Solid Waste / Sanitation	Drug Control	Agri-Business	
<u>Federal Government (Cont.)</u>							
<u>Federal Through State (Cont.)</u>							
Homeland Security Grants	\$ 379,477	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Law Enforcement Grants	50,449	0	0	0	0	0	0
ARRA Grant # 1	48,167	0	0	0	0	0	0
ARRA Grant # 2	23,586	0	0	0	0	0	0
ARRA Grant # 3	34,044	0	0	0	0	0	0
ARRA Grant # 4	3,146	0	0	0	0	0	0
Other Federal through State	11,116	0	0	0	0	0	0
<u>Direct Federal Revenue</u>							
Tax Credit Bond Rebate	0	0	0	0	0	0	0
ARRA Grant # 6	144,432	0	0	0	0	0	0
Other Direct Federal Revenue	45,034	0	0	0	0	0	0
Total Federal Government	\$ 826,061	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
<u>Other Governments and Citizens Groups</u>							
<u>Other Governments</u>							
Prisoner Board	\$ 1,652,438	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Contracted Services	313,915	0	0	0	0	0	0
<u>Citizens Groups</u>							
Donations	1,775	0	0	0	0	0	0
<u>Other</u>							
Other	128,750	0	0	0	0	0	0
Total Other Governments and Citizens Groups	\$ 2,096,878	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Total	\$ 30,117,467	\$ 12,681	\$ 584,059	\$ 271,001	\$ 103,950	\$ 168,162	\$ 168,162

(Continued)

Exhibit J-7

Bradley County, Tennessee
 Schedule of Detailed Revenues -
 All Governmental Fund Types (Cont.)

	Special Revenue Funds						Debt Service Fund
	Special Purpose Fire Tax	Veterans Nursing Home	Constitutional Officers Fees	Highway / Public Works	Vocational Building	General Debt Service	
<u>Local Taxes</u>							
County Property Taxes							
Current Property Tax	\$ 1,528,163	\$ 0	\$ 0	\$ 2,412,425	\$ 0	\$ 4,447,546	
Trustee's Collections - Prior Year	57,523	0	0	76,592	0	200,184	
Circuit/Clerk & Master Collections - Prior Years	132,961	0	0	50,154	0	78,567	
Interest and Penalty	8,608	0	0	13,948	0	29,170	
Payments in-Lieu-of Taxes - T.V.A.	4,761	0	0	1,792	0	3,341	
Payments in-Lieu-of Taxes - Local Utilities	1,861	0	0	700	0	15,670	
Payments in-Lieu-of Taxes - Other	20,505	0	0	11,014	0	20,695	
<u>County Local Option Taxes</u>							
Local Option Sales Tax	0	0	0	0	0	0	0
Hotel/Motel Tax	0	0	0	0	0	0	0
Litigation Tax - General	0	0	0	0	0	0	0
Litigation Tax - Special Purpose	0	0	0	0	0	0	0
Litigation Tax - Jail, Workhouse, or Courthouse	0	0	0	0	0	0	0
Business Tax	0	0	0	0	0	0	0
<u>Statutory Local Taxes</u>							
Bank Excise Tax	0	0	0	19,222	0	35,841	
Wholesale Beer Tax	0	0	0	0	0	0	0
Interstate Telecommunications Tax	0	0	0	0	0	0	0
Total Local Taxes	\$ 1,754,382	\$ 0	\$ 0	\$ 2,585,847	\$ 0	\$ 4,831,014	
<u>Licenses and Permits</u>							
Cable TV Franchise	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	0
Beer Permits	0	0	0	0	0	0	0
Building Permits	0	0	0	0	0	0	0
Electrical Permits	0	0	0	0	0	0	0
Total Licenses and Permits	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	0

(Continued)

Exhibit J-7

Bradley County, Tennessee
 Schedule of Detailed Revenues -
 All Governmental Fund Types (Cont.)

	Special Revenue Funds						Debt Service Fund
	Special Purpose Fire Tax	Veterans Nursing Home	Constitutional Officers - Fees	Highway / Public Works	Vocational Building	General Debt Service	
<u>Circuit Court</u>							
Fines	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	0
Officers Costs	0	0	0	0	0	0	0
Drug Control Fines	0	0	0	0	0	0	0
Jail Fees	0	0	0	0	0	0	0
Data Entry Fee - Circuit Court	0	0	0	0	0	0	0
Courtroom Security Fee	0	0	0	0	0	0	0
<u>Criminal Court</u>							
Fines	0	0	0	0	0	0	0
Officers Costs	0	0	0	0	0	0	0
Drug Control Fines	0	0	0	0	0	0	0
Jail Fees	0	0	0	0	0	0	0
DUI Treatment Fines	0	0	0	0	0	0	0
Data Entry Fee - Criminal Court	0	0	0	0	0	0	0
Courtroom Security Fee	0	0	0	0	0	0	0
<u>General Sessions Court</u>							
Fines for Littering	0	0	0	0	0	0	0
Officers Costs	0	0	0	0	0	0	0
Jail Fees	0	0	0	0	0	0	0
Data Entry Fee - General Sessions Court	0	0	0	0	0	0	0
<u>Juvenile Court</u>							
Fines	0	0	0	0	0	0	0
Courtroom Security Fee	0	0	0	0	0	0	0
Victims Assistance Assessments	0	0	0	0	0	0	0
<u>Chancery Court</u>							
Officers Costs	0	0	0	0	0	0	0
Data Entry Fee - Chancery Court	0	0	0	0	0	0	0
Courtroom Security Fee	0	0	0	0	0	0	0
<u>Other Courts - In-county</u>							
Fines	0	0	0	0	0	0	0
Drug Court Fees	0	0	0	0	0	0	0

(Continued)

Exhibit J-7

Bradley County, Tennessee
Schedule of Detailed Revenues -
All Governmental Fund Types (Cont.)

	Special Revenue Funds					Debt Service Fund
	Special Purpose Fire Tax	Veterans Nursing Home	Constitutional Officers - Fees	Highway / Public Works	Vocational Building	
<u>Fines, Forfeitures, and Penalties (Cont.)</u>						
<u>Other Fines, Forfeitures, and Penalties</u>						
Proceeds from Confiscated Property	0 \$	0 \$	0 \$	0 \$	0 \$	0 \$
Total Fines, Forfeitures, and Penalties	0 \$	0 \$	0 \$	0 \$	0 \$	0 \$
<u>Charges for Current Services</u>						
<u>General Service Charges</u>						
Surcharge - Host Agency	0 \$	0 \$	0 \$	0 \$	0 \$	0 \$
Water Treatment Charges	0	0	0	0	0	0
Patient Charges	0	0	0	0	0	0
Zoning Studies	0	0	0	0	0	0
Work Release Charges for Board	0	0	0	0	0	0
Other General Service Charges	0	0	0	0	0	0
Service Charges	0	0	0	0	0	0
<u>Fees</u>						
Subdivision Lot Fees	0	0	0	0	0	0
Engineer Review Fees	0	0	0	0	0	0
Recreation Fees	0	0	0	0	0	0
Copy Fees	0	0	0	0	0	0
Library Fees	0	0	0	0	0	0
Telephone Commissions	0	0	0	0	0	0
Constitutional Officers' Fees and Commissions	0	0	1,701,823	0	0	0
Data Processing Fee - Register	0	0	0	0	0	0
Probation Fees	0	0	0	0	0	0
Data Processing Fee - Sheriff	0	0	0	0	0	0
Sexual Offender Registration Fees - Sheriff	0	0	0	0	0	0
<u>Education Charges</u>						
Community Service Fees - Adults	0	0	0	0	0	0
<u>Other Charges for Services</u>						
Other Charges for Services	0	0	0	0	0	0
Total Charges for Current Services	0 \$	0 \$	1,701,823 \$	0 \$	0 \$	0 \$

(Continued)

Exhibit J-7

Bradley County, Tennessee
 Schedule of Detailed Revenues -
 All Governmental Fund Types (Cont.)

	Special Revenue Funds					Debt Service Fund
	Special Purpose Fire Tax	Veterans Nursing Home	Constitutional Officers - Fees	Highway / Public Works	Vocational Building	
<u>Other Local Revenues</u>						
<u>Recurring Items</u>						
Investment Income	0 \$	0 \$	0 \$	0 \$	0 \$	0
Lease/Rentals	0	0	0	0	85,017	0
Sale of Materials and Supplies	0	0	0	4,641	0	0
Commissary Sales	0	0	0	0	0	0
Sale of Maps	0	0	0	0	0	0
Sale of Recycled Materials	0	0	0	0	0	0
Miscellaneous Refunds	0	0	0	173,951	0	7,961
<u>Nonrecurring Items</u>						
Sale of Equipment	0	0	0	0	0	0
Sale of Property	0	0	0	0	0	0
Damages Recovered from Individuals	0	0	0	0	0	0
Contributions and Gifts	25,000	14,507	0	0	0	13,267
<u>Other Local Revenues</u>						
Other Local Revenues	0	0	0	10,734	0	0
Total Other Local Revenues	\$ 25,000	\$ 14,507	\$ 0	\$ 189,326	\$ 85,017	\$ 21,228
<u>Fees Received from County Officials</u>						
<u>Excess Fees</u>						
Clerk and Master	0 \$	0 \$	0 \$	0 \$	0 \$	0
Register	0	0	0	0	0	0
Trustee	0	0	0	0	0	0
<u>Fees in-Lieu-of Salary</u>						
Circuit Court Clerk	0	0	0	0	0	0
Criminal Court Clerk	0	0	0	0	0	0
General Sessions Court Clerk	0	0	0	0	0	0
Sheriff	0	0	0	0	0	0
Total Fees Received from County Officials	\$ 0 \$	\$ 0 \$	\$ 0 \$	\$ 0 \$	\$ 0 \$	\$ 0

(Continued)

Exhibit J-7

Bradley County, Tennessee
Schedule of Detailed Revenues -
All Governmental Fund Types (Cont.)

	Special Revenue Funds						Debt Service Fund
	Special Purpose Fire Tax	Veterans Nursing Home	Constitutional Officers - Fees	Highway / Public Works	Vocational Building	General Debt Service	
<u>State of Tennessee</u>							
<u>General Government Grants</u>							
Juvenile Services Program	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	0
Solid Waste Grants	0	0	0	0	0	0	0
Other General Government Grants	0	0	0	0	0	0	0
<u>Public Safety Grants</u>							
Drug Control Grants	0	0	0	0	0	0	0
<u>Health and Welfare Grants</u>							
Health Department Programs	0	0	0	0	0	0	0
<u>Public Works Grants</u>							
Bridge Program	0	0	0	84,081	0	0	0
Litter Program	0	0	0	46,708	0	0	0
<u>Other State Revenues</u>							
Income Tax	0	0	0	12,088	0	0	21,565
Beer Tax	0	0	0	0	0	0	0
Alcoholic Beverage Tax	0	0	0	0	0	0	0
Mixed Drink Tax	0	0	0	0	0	0	0
State Revenue Sharing - T.V.A.	0	0	0	67,613	0	0	126,071
Contracted Prisoner Boarding	0	0	0	0	0	0	0
Gasoline and Motor Fuel Tax	0	0	0	2,015,261	0	0	0
Petroleum Special Tax	0	0	0	70,645	0	0	0
Reappraisal Program Reimbursement	0	0	0	0	0	0	0
Registrar's Salary Supplement	0	0	0	0	0	0	0
State Shared Sales Tax - Cities	0	0	0	0	0	0	0
Other State Grants	0	0	0	0	0	0	0
Other State Revenues	15,000	0	0	0	0	0	0
Total State of Tennessee	\$ 15,000	\$ 0	\$ 0	\$ 2,296,396	\$ 0	\$ 0	\$ 147,636
<u>Federal Government</u>							
<u>Federal Through State</u>							
Community Development	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	0
Civil Defense Reimbursement	0	0	0	0	0	0	0

(Continued)

Exhibit J-7

Bradley County, Tennessee
 Schedule of Detailed Revenues -
 All Governmental Fund Types (Cont.)

	Special Revenue Funds						Debt Service Fund
	Special Purpose Fire Tax	Veterans Nursing Home	Constitutional Officers - Fees	Highway / Public Works	Vocational Building	General Debt Service	
<u>Federal Government (Cont.)</u>							
<u>Federal Through State (Cont.)</u>							
Homeland Security Grants	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Law Enforcement Grants	0	0	0	0	0	0	0
ARRA Grant # 1	0	0	0	0	0	0	0
ARRA Grant # 2	0	0	0	0	0	0	0
ARRA Grant # 3	0	0	0	0	0	0	0
ARRA Grant # 4	0	0	0	0	0	0	0
Other Federal through State	0	0	0	0	0	0	0
<u>Direct Federal Revenue</u>							
Tax Credit Bond Rebate	0	0	0	0	0	0	237,277
ARRA Grant # 6	0	0	0	0	0	0	0
Other Direct Federal Revenue	0	0	0	0	0	0	0
<u>Total Federal Government</u>	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 237,277
<u>Other Governments and Citizens Groups</u>							
<u>Other Governments</u>							
Prisoner Board	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Contracted Services	0	0	0	0	0	0	0
<u>Citizens Groups</u>							
Donations	0	0	0	0	0	0	0
<u>Other</u>							
Other	0	0	0	0	0	0	0
<u>Total Other Governments and Citizens Groups</u>	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
<u>Total</u>	\$ 1,794,382	\$ 14,507	\$ 1,701,823	\$ 5,071,569	\$ 85,017	\$ 5,237,155	

(Continued)

Exhibit J-7

Bradley County, Tennessee
 Schedule of Detailed Revenues -
 All Governmental Fund Types (Cont.)

	Capital Projects Funds						Permanent Fund
	General Capital Projects	Community Development/ Industrial Park	Peerless Road Capital Projects	HUD Grant Projects	Education Capital Projects	Endowment	
<u>Local Taxes</u>							
<u>County Property Taxes</u>							
Current Property Tax	\$ 53,674	\$ 1,915,805	\$ 0	\$ 0	\$ 32,165	\$ 0	\$ 19,569,485
Trustee's Collections - Prior Year	0	0	0	0	1,338	0	687,548
Circuit/Clerk & Master Collections - Prior Years	8,760	37,596	0	0	674	0	494,705
Interest and Penalty	0	2,032	0	0	200	0	120,356
Payments in-Lieu-of Taxes - T.V.A.	0	1,304	0	0	22	0	18,096
Payments in-Lieu-of Taxes - Local Utilities	0	556	0	0	9	0	21,484
Payments in-Lieu-of Taxes - Other	1,264	7,306	0	0	148	0	103,177
<u>County Local Option Taxes</u>							
Local Option Sales Tax	0	0	0	0	0	0	3,780,331
Hotel/Motel Tax	0	0	0	0	0	0	566,769
Litigation Tax - General	0	0	0	0	0	0	360,674
Litigation Tax - Special Purpose	0	0	0	0	0	0	69,026
Litigation Tax - Jail, Workhouse, or Courthouse	0	0	0	0	0	0	80,177
Business Tax	0	0	0	0	0	0	901,288
<u>Statutory Local Taxes</u>							
Bank Excise Tax	0	15,265	0	0	259	0	144,354
Wholesale Beer Tax	0	0	0	0	0	0	300,090
Interstate Telecommunications Tax	0	0	0	0	0	0	3,989
Total Local Taxes	\$ 63,698	\$ 1,979,864	\$ 0	\$ 0	\$ 34,815	\$ 0	\$ 27,221,549
<u>Licenses and Permits</u>							
<u>Licenses</u>							
Cable TV Franchise	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 197,076
<u>Permits</u>							
Beer Permits	0	0	0	0	0	0	5,534
Building Permits	0	0	0	0	0	0	80,936
Electrical Permits	0	0	0	0	0	0	1,224
Total Licenses and Permits	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 284,770

(Continued)

Exhibit J-7

Bradley County, Tennessee
 Schedule of Detailed Revenues -
 All Governmental Fund Types (Cont.)

	Capital Projects Funds							Permanent Fund	Total
	Community Development/Industrial Park		Peerless Road Capital Projects		HUD Grant Projects		Education Capital Projects		
	General Capital Projects	Development/Industrial Park	Peerless Road Capital Projects	HUD Grant Projects	Endowment				
\$	0	0	0	0	0	0	0	0	
<u>Circuit Court</u>									
Fines	0	0	0	0	0	0	0	16,293	
Officers Costs	0	0	0	0	0	0	0	11,642	
Drug Control Fines	0	0	0	0	0	0	0	32,860	
Jail Fees	0	0	0	0	0	0	0	3,191	
Data Entry Fee - Circuit Court	0	0	0	0	0	0	0	16,763	
Courtroom Security Fee	0	0	0	0	0	0	0	1,862	
<u>Criminal Court</u>									
Fines	0	0	0	0	0	0	0	141,139	
Officers Costs	0	0	0	0	0	0	0	124,849	
Drug Control Fines	0	0	0	0	0	0	0	70,238	
Jail Fees	0	0	0	0	0	0	0	71,239	
DUI Treatment Fines	0	0	0	0	0	0	0	26,306	
Data Entry Fee - Criminal Court	0	0	0	0	0	0	0	6,385	
Courtroom Security Fee	0	0	0	0	0	0	0	189	
<u>General Sessions Court</u>									
Fines for Littering	0	0	0	0	0	0	0	731	
Officers Costs	0	0	0	0	0	0	0	13,055	
Jail Fees	0	0	0	0	0	0	0	19,719	
Data Entry Fee - General Sessions Court	0	0	0	0	0	0	0	11,835	
<u>Juvenile Court</u>									
Fines	0	0	0	0	0	0	0	2,407	
Courtroom Security Fee	0	0	0	0	0	0	0	34	
Victims Assistance Assessments	0	0	0	0	0	0	0	9,994	
<u>Chancery Court</u>									
Officers Costs	0	0	0	0	0	0	0	209	
Data Entry Fee - Chancery Court	0	0	0	0	0	0	0	4,796	
Courtroom Security Fee	0	0	0	0	0	0	0	86	
<u>Other Courts - In-county</u>									
Fines	0	0	0	0	0	0	0	11,921	
Drug Court Fees	0	0	0	0	0	0	0	65,816	

(Continued)

Exhibit J-7

Bradley County, Tennessee
 Schedule of Detailed Revenues -
 All Governmental Fund Types (Cont.)

	Capital Projects Funds							Permanent Fund	Total
	Community Development/Industrial Park		Peerless Road Capital Projects		HUD Grant Projects	Education Capital Projects			
	General Capital Projects	Development/Industrial Park	Peerless Road Capital Projects	HUD Grant Projects	Education Capital Projects	Endowment			
<u>Fines, Forfeitures, and Penalties (Cont.)</u>									
<u>Other Fines, Forfeitures, and Penalties</u>									
Proceeds from Confiscated Property	0 \$	0 \$	0 \$	0 \$	0 \$	0 \$	0 \$	35,299	
Total Fines, Forfeitures, and Penalties	0 \$	0 \$	0 \$	0 \$	0 \$	0 \$	0 \$	698,858	
<u>Charges for Current Services</u>									
<u>General Service Charges</u>									
Surcharge - Host Agency	0 \$	0 \$	0 \$	0 \$	0 \$	0 \$	0 \$	223,442	
Water Treatment Charges	0	0	0	0	0	0	0	2,650	
Patient Charges	0	0	0	0	0	0	0	3,803,554	
Zoning Studies	0	0	0	0	0	0	0	270	
Work Release Charges for Board	0	0	0	0	0	0	0	6,711	
Other General Service Charges	0	0	0	0	0	0	0	38,626	
Service Charges	0	0	0	0	0	0	0	1,200	
<u>Fees</u>									
Subdivision Lot Fees	0	0	0	0	0	0	0	200	
Engineer Review Fees	0	0	0	0	0	0	0	7,288	
Recreation Fees	0	0	0	0	0	0	0	132,212	
Copy Fees	0	0	0	0	0	0	0	5,769	
Library Fees	0	0	0	0	0	0	0	10,995	
Telephone Commissions	0	0	0	0	0	0	0	140,602	
Constitutional Officers' Fees and Commissions	0	0	0	0	0	0	0	1,701,823	
Data Processing Fee - Register	0	0	0	0	0	0	0	32,818	
Probation Fees	0	0	0	0	0	0	0	326,145	
Data Processing Fee - Sheriff	0	0	0	0	0	0	0	1,710	
Sexual Offender Registration Fees - Sheriff	0	0	0	0	0	0	0	3,910	
<u>Education Charges</u>									
Community Service Fees - Adults	0	0	0	0	0	0	0	8,064	
<u>Other Charges for Services</u>									
Other Charges for Services	0	0	0	0	0	0	0	20,495	
Total Charges for Current Services	0 \$	0 \$	0 \$	0 \$	0 \$	0 \$	0 \$	6,468,484	

(Continued)

Exhibit J-7

Bradley County, Tennessee
 Schedule of Detailed Revenues -
 All Governmental Fund Types (Cont.)

	Capital Projects Funds							Permanent Fund	Total
	Community Development/Industrial Park		Peerless Road Capital Projects		HUD Grant Projects	Education Capital Projects			
	General Capital Projects	Development/Industrial Park	Peerless Road Capital Projects	HUD Grant Projects	HUD Grant Projects	Education Capital Projects	Education Capital Projects		
<u>Other Local Revenues</u>									
<u>Recurring Items</u>									
Investment Income	\$ 347,262	\$ 0	\$ 0	\$ 1,951	\$ 0	\$ 166,541	\$ 871,711		
Lease/Rentals	0	0	0	0	0	0	158,287		
Sale of Materials and Supplies	0	0	0	0	0	0	5,956		
Commissary Sales	0	0	0	0	0	0	119,458		
Sale of Maps	0	0	0	0	0	0	5,416		
Sale of Recycled Materials	0	0	0	0	0	0	251		
Miscellaneous Refunds	0	0	0	0	0	0	232,934		
<u>Nonrecurring Items</u>									
Sale of Equipment	0	0	0	0	0	0	4,602		
Sale of Property	0	0	0	0	0	0	1,009		
Damages Recovered from Individuals	0	0	0	0	0	0	4,070		
Contributions and Gifts	0	0	0	0	0	0	99,366		
<u>Other Local Revenues</u>									
Other Local Revenues	0	0	0	160	0	0	148,207		
Total Other Local Revenues	\$ 347,262	\$ 0	\$ 0	\$ 2,111	\$ 0	\$ 166,541	\$ 1,651,267		
<u>Fees Received from County Officials</u>									
<u>Excess Fees</u>									
Clerk and Master	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 182,682		
Register	0	0	0	0	0	0	94,120		
Trustee	0	0	0	0	0	0	665,387		
<u>Fees in-Lieu-of Salary</u>									
Circuit Court Clerk	0	0	0	0	0	0	341,991		
Criminal Court Clerk	0	0	0	0	0	0	535,586		
General Sessions Court Clerk	0	0	0	0	0	0	533,854		
Sheriff	0	0	0	0	0	0	18,112		
Total Fees Received from County Officials	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 2,371,752		

(Continued)

Exhibit J-7

Bradley County, Tennessee
 Schedule of Detailed Revenues -
 All Governmental Fund Types (Cont.)

	Capital Projects Funds							Total
	Community			Peerless		Education		
	General Capital Projects	Development/Industrial Park	Road Capital Projects	HUD Grant Projects	Capital Projects	Endowment	Permanent Fund	
<u>State of Tennessee</u>								
<u>General Government Grants</u>								
Juvenile Services Program	0 \$	0 \$	0 \$	0 \$	0 \$	0 \$	0 \$	67,186
Solid Waste Grants	0	0	0	0	0	0	0	47,308
Other General Government Grants	0	0	83,776	0	0	0	0	83,776
<u>Public Safety Grants</u>								
Drug Control Grants	0	0	0	0	0	0	0	110,344
<u>Health and Welfare Grants</u>								
Health Department Programs	0	0	0	0	0	0	0	1,124,276
<u>Public Works Grants</u>								
Bridge Program	0	0	0	0	0	0	0	84,081
Litter Program	0	0	0	0	0	0	0	46,708
<u>Other State Revenues</u>								
Income Tax	0	4,694	0	0	162	0	0	90,780
Beer Tax	0	0	0	0	0	0	0	17,778
Alcoholic Beverage Tax	0	0	0	0	0	0	0	103,072
Mixed Drink Tax	0	0	0	0	0	0	0	9,856
State Revenue Sharing - T.V.A.	0	53,694	0	0	910	0	0	507,764
Contracted Prisoner Boarding	0	0	0	0	0	0	0	1,244,030
Gasoline and Motor Fuel Tax	0	0	0	0	0	0	0	2,015,261
Petroleum Special Tax	0	0	0	0	0	0	0	70,645
Reappraisal Program Reimbursement	0	0	0	0	0	0	0	22,651
Registrar's Salary Supplement	0	0	0	0	0	0	0	16,380
State Shared Sales Tax - Cities	0	0	0	0	0	0	0	10,800
Other State Grants	0	0	0	0	0	0	0	294,728
Other State Revenues	0	0	0	0	0	0	0	75,000
Total State of Tennessee	0 \$	58,388 \$	83,776 \$	0 \$	1,072 \$	0 \$	0 \$	6,042,424
<u>Federal Government</u>								
<u>Federal Through State</u>								
Community Development	0 \$	0 \$	66,141 \$	0 \$	0 \$	0 \$	0 \$	66,141
Civil Defense Reimbursement	0	0	0	0	0	0	0	86,610

(Continued)

Exhibit J-7

Bradley County, Tennessee
 Schedule of Detailed Revenues -
 All Governmental Fund Types (Cont.)

	Capital Projects Funds							Permanent Fund
	General Capital Projects	Community Development/Industrial Park	Peerless Road Capital Projects	HUD Grant Projects	Education Capital Projects	Endowment	Total	
<u>Federal Government (Cont.)</u>								
<u>Federal Through State (Cont.)</u>								
Homeland Security Grants	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 379,477
Law Enforcement Grants	0	0	0	0	0	0	0	50,449
ARRA Grant # 1	0	0	0	0	0	0	0	48,167
ARRA Grant # 2	0	0	0	0	0	0	0	23,586
ARRA Grant # 3	0	0	0	0	0	0	0	34,044
ARRA Grant # 4	0	0	0	0	0	0	0	3,146
Other Federal through State	0	0	0	0	0	0	0	11,116
<u>Direct Federal Revenue</u>								
Tax Credit Bond Rebate	0	0	0	0	0	0	0	237,277
ARRA Grant # 6	0	0	0	0	0	0	0	144,432
Other Direct Federal Revenue	0	0	0	0	0	0	0	45,034
Total Federal Government	\$ 0	\$ 0	\$ 66,141	\$ 0	\$ 0	\$ 0	\$ 0	\$ 1,129,479
<u>Other Governments and Citizens Groups</u>								
<u>Other Governments</u>								
Prisoner Board	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 1,652,438
Contracted Services	0	0	0	0	0	0	0	313,915
<u>Citizens Groups</u>								
Donations	0	0	0	0	0	0	0	1,775
<u>Other</u>								
Other	0	0	0	0	0	0	0	128,750
Total Other Governments and Citizens Groups	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 2,096,878
Total	\$ 410,960	\$ 2,038,252	\$ 149,917	\$ 2,111	\$ 35,887	\$ 166,541	\$ 47,965,441	

Exhibit J-8

Bradley County, Tennessee
Schedule of Detailed Revenues -
All Governmental Fund Types
Discretely Presented Bradley County School Department
For the Year Ended June 30, 2010

	General Purpose School	School Federal Projects	Central Cafeteria	Education Capital Projects	Total
<u>Local Taxes</u>					
<u>County Property Taxes</u>					
Current Property Tax	\$ 10,813,805	\$ 0	\$ 0	\$ 0	\$ 10,813,805
Trustee's Collections - Prior Year	469,440	0	0	0	469,440
Circuit/Clerk & Master Collections - Prior Years	226,954	0	0	0	226,954
Interest and Penalty	68,157	0	0	0	68,157
Payments in-Lieu-of Taxes - T.V.A.	11,966	0	0	0	11,966
Payments in-Lieu-of Taxes - Local Utilities	3,174	0	0	0	3,174
Payments in-Lieu-of Taxes - Other	49,934	0	0	0	49,934
<u>County Local Option Taxes</u>					
Local Option Sales Tax	8,965,681	0	0	0	8,965,681
<u>Statutory Local Taxes</u>					
Bank Excise Tax	87,144	0	0	0	87,144
Interstate Telecommunications Tax	5,141	0	0	0	5,141
Total Local Taxes	\$ 20,701,396	\$ 0	\$ 0	\$ 0	\$ 20,701,396
<u>Licenses and Permits</u>					
<u>Licenses</u>					
Marriage Licenses	\$ 4,732	\$ 0	\$ 0	\$ 0	\$ 4,732
Total Licenses and Permits	\$ 4,732	\$ 0	\$ 0	\$ 0	\$ 4,732
<u>Charges for Current Services</u>					
<u>Education Charges</u>					
Lunch Payments - Children	\$ 0	\$ 0	\$ 1,139,047	\$ 0	\$ 1,139,047
Lunch Payments - Adults	0	0	186,973	0	186,973
Income from Breakfast	0	0	112,256	0	112,256
A la carte Sales	0	0	596,258	0	596,258
TBI Criminal Background Fees	5,328	0	0	0	5,328
<u>Other Charges for Services</u>					
Other Charges for Services	11,220	0	6,169	0	17,389
Total Charges for Current Services	\$ 16,548	\$ 0	\$ 2,040,703	\$ 0	\$ 2,057,251
<u>Other Local Revenues</u>					
<u>Recurring Items</u>					
Investment Income	\$ 21,309	\$ 0	\$ 2,733	\$ 49,915	\$ 73,957
Miscellaneous Refunds	46,950	0	1,299	723	48,972
<u>Nonrecurring Items</u>					
Contributions and Gifts	11,950	0	0	0	11,950
<u>Other Local Revenues</u>					
Other Local Revenues	1,283	0	0	0	1,283
Total Other Local Revenues	\$ 81,492	\$ 0	\$ 4,032	\$ 50,638	\$ 136,162
<u>State of Tennessee</u>					
<u>General Government Grants</u>					
On-Behalf Contributions for OPEB	\$ 447,294	\$ 0	\$ 0	\$ 0	\$ 447,294
<u>State Education Funds</u>					
Basic Education Program	36,321,900	0	0	0	36,321,900
Basic Education Program - ARRA	1,833,100	0	0	0	1,833,100
Early Childhood Education	1,266,847	0	0	0	1,266,847
School Food Service	52,086	0	0	0	52,086

(Continued)

Exhibit J-8

Bradley County, Tennessee
Schedule of Detailed Revenues -
All Governmental Fund Types
Discretely Presented Bradley County School Department (Cont.)

	General Purpose School	School Federal Projects	Central Cafeteria	Education Capital Projects	Total
<u>State of Tennessee (Cont.)</u>					
<u>State Education Funds (Cont.)</u>					
Driver Education	\$ 26,336	\$ 0	\$ 0	\$ 0	\$ 26,336
Other State Education Funds	28,786	0	0	0	28,786
Coordinated School Health - ARRA	95,000	0	0	0	95,000
Internet Connectivity - ARRA	29,036	0	0	0	29,036
Statewide Student Management System (SSMS) - ARRA	24,953	0	0	0	24,953
Career Ladder Program	360,987	0	0	0	360,987
Career Ladder - Extended Contract - ARRA	152,841	0	0	0	152,841
<u>Other State Revenues</u>					
Income Tax	54,555	0	0	0	54,555
State Revenue Sharing - T.V.A.	451,553	0	0	0	451,553
Safe Schools - ARRA	27,300	0	0	0	27,300
Total State of Tennessee	\$ 41,172,574	\$ 0	\$ 0	\$ 0	\$ 41,172,574
<u>Federal Government</u>					
<u>Federal Through State</u>					
USDA School Lunch Program	\$ 0	\$ 0	\$ 2,098,688	\$ 0	\$ 2,098,688
Breakfast	0	0	713,083	0	713,083
USDA - Other	0	0	18,281	0	18,281
USDA Food Service Equipment Grant - ARRA	0	0	15,793	0	15,793
Adult Education State Grant Program	132,004	0	0	0	132,004
Vocational Education - Basic Grants to States	0	136,532	0	0	136,532
Title I Grants to Local Education Agencies	0	2,553,501	0	0	2,553,501
Special Education - Grants to States	80,528	4,211,805	0	0	4,292,333
Special Education Preschool Grants	0	67,238	0	0	67,238
Eisenhower Professional Development State Grants	65,322	307,751	0	0	373,073
Other Federal through State	385,000	79,280	0	0	464,280
<u>Direct Federal Revenue</u>					
Other Direct Federal Revenue	404,555	0	0	0	404,555
Total Federal Government	\$ 1,067,409	\$ 7,356,107	\$ 2,845,845	\$ 0	\$ 11,269,361
<u>Other Governments and Citizens Groups</u>					
<u>Other Governments</u>					
Contributions	\$ 0	\$ 0	\$ 0	\$ 11,836,109	\$ 11,836,109
Total Other Governments and Citizens Groups	\$ 0	\$ 0	\$ 0	\$ 11,836,109	\$ 11,836,109
Total	\$ 63,044,151	\$ 7,356,107	\$ 4,890,580	\$ 11,886,747	\$ 87,177,585

Exhibit J-9

Bradley County, Tennessee
Schedule of Detailed Expenditures -
All Governmental Fund Types
For the Year Ended June 30, 2010

General Fund

General Government

County Commission

Part-time Personnel	\$	35,458	
Board and Committee Members Fees		136,612	
Social Security		11,892	
State Retirement		13,196	
Life Insurance		284	
Medical Insurance		44,150	
Audit Services		33,890	
Communication		362	
Dues and Memberships		1,950	
Legal Notices, Recording, and Court Costs		160	
Maintenance and Repair Services - Office Equipment		743	
Office Supplies		499	
Other Charges		77,871	
Building Improvements		3,096	
Other Equipment		1,420	
Total County Commission			\$ 361,583

Board of Equalization

Board and Committee Members Fees	\$	1,011	
Total Board of Equalization			1,011

Beer Board

Board and Committee Members Fees	\$	2,500	
Total Beer Board			2,500

Other Boards and Committees

Clerical Personnel	\$	20,000	
Part-time Personnel		700	
Social Security		1,584	
State Retirement		2,646	
Life Insurance		20	
Medical Insurance		6,042	
Unemployment Compensation		3,928	
Communication		6	
Operating Lease Payments		100	
Office Supplies		911	
Total Other Boards and Committees			35,937

County Mayor/Executive

County Official/Administrative Officer	\$	87,547	
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(Continued)

Exhibit J-9

Bradley County, Tennessee
Schedule of Detailed Expenditures -
All Governmental Fund Types (Cont.)

General Fund (Cont.)

General Government (Cont.)

County Mayor/Executive (Cont.)

Assistant(s)	\$	73,500	
Clerical Personnel		21,467	
Social Security		13,215	
State Retirement		18,590	
Life Insurance		82	
Medical Insurance		24,960	
Advertising		1,313	
Communication		1,046	
Dues and Memberships		1,750	
Travel		2,181	
Tuition		240	
Office Supplies		3,480	
Periodicals		100	
Vehicle and Equipment Insurance		750	
Other Charges		15	
Total County Mayor/Executive			\$ 250,236

Personnel Office

Supervisor/Director	\$	36,951	
Accountants/Bookkeepers		23,526	
Social Security		4,461	
State Retirement		7,683	
Life Insurance		41	
Medical Insurance		12,084	
Unemployment Compensation		12,531	
Advertising		842	
Dues and Memberships		604	
Maintenance and Repair Services - Office Equipment		3,938	
Travel		195	
Tuition		932	
Office Supplies		4,714	
Periodicals		1,831	
Testing		6,022	
Workers' Compensation Insurance		19,937	
In Service/Staff Development		301	
Office Equipment		5,000	
Total Personnel Office			141,593

County Attorney

Temporary Personnel	\$	19,993	
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(Continued)

Exhibit J-9

Bradley County, Tennessee
Schedule of Detailed Expenditures -
All Governmental Fund Types (Cont.)

General Fund (Cont.)

General Government (Cont.)

County Attorney (Cont.)

Other Salaries and Wages	\$	72,000	
Social Security		6,310	
State Retirement		9,526	
Life Insurance		20	
Medical Insurance		6,834	
Communication		498	
Data Processing Services		5,455	
Dues and Memberships		645	
Legal Services		11,270	
Office Supplies		1,514	
Total County Attorney			\$ 134,065

Election Commission

County Official/Administrative Officer	\$	64,993	
Deputy(ies)		37,040	
Part-time Personnel		23,238	
Board and Committee Members Fees		175	
Election Commission		9,700	
Election Workers		32,584	
Social Security		10,218	
State Retirement		11,041	
Life Insurance		39	
Medical Insurance		12,084	
Unemployment Compensation		5,626	
Accounting Services		4,000	
Advertising		5,291	
Communication		1,500	
Maintenance and Repair Services - Equipment		9,550	
Printing, Stationery, and Forms		4,000	
Travel		10,925	
Office Supplies		3,824	
Other Charges		2,200	
Data Processing Equipment		1,528	
Total Election Commission			249,556

Register of Deeds

Life Insurance	\$	144	
Medical Insurance		40,192	
Communication		797	
Data Processing Services		51,201	

(Continued)

Exhibit J-9

Bradley County, Tennessee
Schedule of Detailed Expenditures -
All Governmental Fund Types (Cont.)

General Fund (Cont.)

General Government (Cont.)

Register of Deeds (Cont.)

Maintenance and Repair Services - Equipment	\$	4,900	
Travel		1,340	
Office Supplies		10,208	
Office Equipment		8,865	
Total Register of Deeds			\$ 117,647

Development

Assistant(s)	\$	38,000	
Supervisor/Director		58,191	
Social Security		7,327	
State Retirement		12,634	
Life Insurance		41	
Medical Insurance		12,084	
Communication		1,367	
Contracts with Government Agencies		36,600	
Data Processing Services		40,152	
Dues and Memberships		255	
Maintenance and Repair Services - Equipment		4,111	
Travel		1,140	
Tuition		400	
Other Contracted Services		2,569	
Gasoline		161	
Other Supplies and Materials		566	
Vehicle and Equipment Insurance		700	
Data Processing Equipment		4,925	
Total Development			221,223

Planning

Assistant(s)	\$	109,861	
Clerical Personnel		25,950	
Social Security		10,237	
State Retirement		17,968	
Life Insurance		79	
Medical Insurance		23,652	
Communication		664	
Dues and Memberships		900	
Legal Notices, Recording, and Court Costs		2,538	
Maintenance and Repair Services - Office Equipment		1,855	
Maintenance and Repair Services - Vehicles		500	
Travel		1,893	

(Continued)

Exhibit J-9

Bradley County, Tennessee
Schedule of Detailed Expenditures -
All Governmental Fund Types (Cont.)

General Fund (Cont.)

General Government (Cont.)

Planning (Cont.)

Tuition	\$	1,691	
Gasoline		3,000	
Office Supplies		3,683	
Periodicals		350	
Vehicle and Equipment Insurance		500	
Workers' Compensation Insurance		2,957	
Office Equipment		2,400	
Total Planning			\$ 210,678

County Buildings

Assistant(s)	\$	26,698	
Custodial Personnel		35,418	
Social Security		4,752	
State Retirement		8,218	
Life Insurance		35	
Medical Insurance		11,215	
Communication		30,287	
Maintenance and Repair Services - Buildings		2,300	
Postal Charges		111,318	
Travel		325	
Other Contracted Services		27,610	
Custodial Supplies		9,035	
Drugs and Medical Supplies		1,149	
Utilities		110,000	
Other Supplies and Materials		18,794	
Other Charges		276	
Building Improvements		6,541	
Total County Buildings			403,971

Finance

Accounting and Budgeting

Supervisor/Director	\$	56,129	
Clerical Personnel		57,971	
Social Security		9,399	
State Retirement		16,418	
Life Insurance		61	
Medical Insurance		12,084	
Accounting Services		10,000	
Dues and Memberships		2,050	
Maintenance and Repair Services - Office Equipment		5,172	

(Continued)

Exhibit J-9

Bradley County, Tennessee
Schedule of Detailed Expenditures -
All Governmental Fund Types (Cont.)

General Fund (Cont.)

Finance (Cont.)

Accounting and Budgeting (Cont.)

Tuition	\$	554	
Office Supplies		6,109	
Other Supplies and Materials		1,244	
Total Accounting and Budgeting			\$ 177,191

Property Assessor's Office

County Official/Administrative Officer	\$	73,017	
Paraprofessionals		248,132	
Clerical Personnel		147,127	
Social Security		34,805	
State Retirement		55,591	
Life Insurance		277	
Medical Insurance		77,126	
Unemployment Compensation		1,569	
Communication		248	
Dues and Memberships		3,000	
Operating Lease Payments		4,492	
Maintenance and Repair Services - Office Equipment		1,631	
Maintenance and Repair Services - Vehicles		2,354	
Travel		2,105	
Tuition		890	
Other Contracted Services		60,192	
Gasoline		3,750	
Office Supplies		8,107	
Vehicle and Equipment Insurance		2,300	
Workers' Compensation Insurance		340	
Office Equipment		10,001	
Total Property Assessor's Office			737,054

Reappraisal Program

Data Processing Services	\$	36,697	
Postal Charges		3,898	
Other Contracted Services		87	
Total Reappraisal Program			40,682

County Trustee's Office

Life Insurance	\$	163	
Medical Insurance		48,336	
Communication		24	
Dues and Memberships		544	

(Continued)

Exhibit J-9

Bradley County, Tennessee
Schedule of Detailed Expenditures -
All Governmental Fund Types (Cont.)

General Fund (Cont.)

Finance (Cont.)

County Trustee's Office (Cont.)

Travel	\$	1,030	
Tuition		448	
Other Contracted Services		22,622	
Office Supplies		8,203	
Total County Trustee's Office			\$ 81,370

County Clerk's Office

Life Insurance	\$	428	
Medical Insurance		120,840	
Unemployment Compensation		275	
Communication		1,395	
Dues and Memberships		984	
Travel		3,996	
Tuition		1,050	
Office Supplies		49,485	
Office Equipment		9,125	
Total County Clerk's Office			187,578

Data Processing

Data Processing Personnel	\$	56,274	
Social Security		4,284	
State Retirement		7,445	
Life Insurance		20	
Medical Insurance		6,042	
Communication		23,400	
Data Processing Services		10,580	
Travel		1,200	
Other Contracted Services		9,827	
Other Supplies and Materials		97	
Data Processing Equipment		24,472	
Other Equipment		2,610	
Total Data Processing			146,251

Administration of Justice

Circuit Court

County Official/Administrative Officer	\$	73,017	
Total Circuit Court			73,017

Circuit Court Clerk

Assistant(s)	\$	37,132	
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(Continued)

Exhibit J-9

Bradley County, Tennessee
Schedule of Detailed Expenditures -
All Governmental Fund Types (Cont.)

General Fund (Cont.)

Administration of Justice (Cont.)

Circuit Court Clerk (Cont.)

Deputy(ies)	\$	686,990	
Other Salaries and Wages		27,641	
Social Security		61,971	
State Retirement		104,157	
Life Insurance		637	
Medical Insurance		183,282	
Communication		2,566	
Data Processing Services		35,126	
Dues and Memberships		674	
Janitorial Services		7,764	
Travel		83	
Custodial Supplies		1,800	
Data Processing Supplies		6,947	
Office Supplies		31,209	
Utilities		25,000	
Data Processing Equipment		10,044	
Office Equipment		2,588	
Total Circuit Court Clerk			\$ 1,225,611

General Sessions Judge

Judge(s)	\$	292,556	
Clerical Personnel		52,000	
Part-time Personnel		1,200	
Other Salaries and Wages		44,331	
Social Security		25,079	
State Retirement		46,008	
Life Insurance		98	
Medical Insurance		29,738	
Communication		900	
Dues and Memberships		144	
Travel		2,241	
Tuition		824	
Office Supplies		180	
Periodicals		697	
Data Processing Equipment		575	
Furniture and Fixtures		207	
Total General Sessions Judge			496,778

Drug Court

Assessment Personnel	\$	50,000	
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(Continued)

Exhibit J-9

Bradley County, Tennessee
Schedule of Detailed Expenditures -
All Governmental Fund Types (Cont.)

General Fund (Cont.)

Administration of Justice (Cont.)

Drug Court (Cont.)

Social Security	\$	3,829	
State Retirement		6,605	
Life Insurance		20	
Medical Insurance		5,996	
Communication		543	
Rentals		1,500	
Travel		3,710	
Other Contracted Services		96,993	
Total Drug Court			\$ 169,196

Chancery Court

Jury and Witness Expense	\$	2,249	
Life Insurance		102	
Medical Insurance		30,210	
Communication		600	
Dues and Memberships		654	
Maintenance and Repair Services - Office Equipment		5,559	
Travel		1,444	
Tuition		285	
Office Supplies		4,758	
Total Chancery Court			45,861

Juvenile Court

County Official/Administrative Officer	\$	46,301	
Probation Officer(s)		249,756	
Clerical Personnel		29,656	
Other Salaries and Wages		20,057	
Social Security		26,177	
State Retirement		42,736	
Life Insurance		171	
Medical Insurance		50,867	
Unemployment Compensation		1,650	
Communication		13,108	
Maintenance and Repair Services - Office Equipment		13,919	
Maintenance and Repair Services - Vehicles		113	
Medical and Dental Services		300	
Travel		4,231	
Tuition		1,004	
Other Contracted Services		5,751	
Gasoline		448	

(Continued)

Exhibit J-9

Bradley County, Tennessee
Schedule of Detailed Expenditures -
All Governmental Fund Types (Cont.)

General Fund (Cont.)

Administration of Justice (Cont.)

Juvenile Court (Cont.)

Office Supplies	\$	1,363	
Utilities		31,735	
Vehicle and Equipment Insurance		2,500	
Other Charges		6,005	
Data Processing Equipment		862	
Office Equipment		498	
Other Capital Outlay		11,240	
Total Juvenile Court			\$ 560,448

Judicial Commissioners

Jury and Witness Expense	\$	75,705	
Office Supplies		57	
Total Judicial Commissioners			75,762

Other Administration of Justice

Assistant(s)	\$	27,133	
Supervisor/Director		30,684	
Clerical Personnel		13,638	
Social Security		5,431	
State Retirement		9,454	
Life Insurance		54	
Medical Insurance		15,944	
Communication		365	
Maintenance and Repair Services - Vehicles		993	
Gasoline		2,041	
Office Supplies		600	
Other Supplies and Materials		1,256	
Liability Insurance		3,500	
Vehicle and Equipment Insurance		700	
Workers' Compensation Insurance		107	
Total Other Administration of Justice			111,900

Probation Services

Assistant(s)	\$	34,673	
Supervisor/Director		46,565	
Probation Officer(s)		121,243	
Clerical Personnel		7,002	
Social Security		15,896	
State Retirement		22,374	
Life Insurance		137	

(Continued)

Exhibit J-9

Bradley County, Tennessee
Schedule of Detailed Expenditures -
All Governmental Fund Types (Cont.)

General Fund (Cont.)

Administration of Justice (Cont.)

Probation Services (Cont.)

Medical Insurance	\$	41,016	
Communication		23	
Contracts with Government Agencies		1,975	
Rentals		2,450	
Travel		845	
Tuition		110	
Drug Treatment		6,664	
Other Contracted Services		13,720	
Office Supplies		2,000	
Other Supplies and Materials		3,729	
Other Charges		792	
Total Probation Services			\$ 321,214

Public Safety

Sheriff's Department

County Official/Administrative Officer	\$	80,320
Deputy(ies)		3,565,220
Clerical Personnel		146,277
Custodial Personnel		18,842
Part-time Personnel		2,242
Overtime Pay		92,569
Other Salaries and Wages		61,800
Social Security		301,772
State Retirement		504,080
Employee and Dependent Insurance		6,024
Life Insurance		2,050
Medical Insurance		593,793
Unemployment Compensation		4,884
Communication		41,700
Contracts with Vehicle Owners		3,000
Confidential Drug Enforcement Payments		6,730
Dues and Memberships		7,000
Maintenance and Repair Services - Equipment		1,214
Maintenance and Repair Services - Vehicles		156,199
Tow-in Services		3,000
Travel		22,771
Tuition		18,819
Other Contracted Services		46,896
Gasoline		397,592
Law Enforcement Supplies		44,470

(Continued)

Exhibit J-9

Bradley County, Tennessee
Schedule of Detailed Expenditures -
All Governmental Fund Types (Cont.)

General Fund (Cont.)

Public Safety (Cont.)

Sheriff's Department (Cont.)

Office Supplies	\$	12,665	
Uniforms		36,402	
Other Supplies and Materials		15,444	
Building and Contents Insurance		3,327	
Liability Insurance		47,996	
Vehicle and Equipment Insurance		41,927	
Workers' Compensation Insurance		88,708	
Other Charges		704	
Principal on Capital Leases		181,808	
Interest on Capital Leases		8,751	
Data Processing Equipment		35,137	
Law Enforcement Equipment		165,451	
Motor Vehicles		198,376	
Total Sheriff's Department			\$ 6,965,960

Special Patrols

Deputy(ies)	\$	173,492	
Overtime Pay		28,411	
Social Security		15,245	
State Retirement		26,610	
Life Insurance		122	
Medical Insurance		32,369	
Communication		1,658	
Uniforms		1,105	
Law Enforcement Equipment		13,016	
Total Special Patrols			292,028

Traffic Control

Maintenance and Repair Services - Equipment	\$	1,963	
Utilities		527	
Total Traffic Control			2,490

Administration of the Sexual Offender Registry

Other Supplies and Materials	\$	1,127	
Total Administration of the Sexual Offender Registry			1,127

Jail

Deputy(ies)	\$	2,814,077	
Mechanic(s)		65,268	
Clerical Personnel		88,475	

(Continued)

Exhibit J-9

Bradley County, Tennessee
Schedule of Detailed Expenditures -
All Governmental Fund Types (Cont.)

General Fund (Cont.)

Public Safety (Cont.)

Jail (Cont.)

Maintenance Personnel	\$	36,549	
Part-time Personnel		16,949	
Overtime Pay		58,685	
Social Security		237,813	
State Retirement		376,955	
Life Insurance		2,050	
Medical Insurance		547,190	
Unemployment Compensation		1,011	
Communication		10,864	
Operating Lease Payments		9,258	
Maintenance and Repair Services - Buildings		38,312	
Maintenance and Repair Services - Equipment		2,500	
Maintenance and Repair Services - Vehicles		11,071	
Medical and Dental Services		631,187	
Transportation - Other than Students		8,108	
Travel		6,242	
Tuition		1,520	
Other Contracted Services		14,749	
Custodial Supplies		67,993	
Food Supplies		390,035	
Office Supplies		13,891	
Prisoners Clothing		6,000	
Uniforms		31,095	
Utilities		354,300	
Other Supplies and Materials		33,182	
Medical Claims		3,120	
Specialized Medical Treatment		11,399	
Other Charges		207	
Principal on Capital Leases		11,420	
Interest on Capital Leases		854	
Data Processing Equipment		14,012	
Law Enforcement Equipment		57,294	
Other Capital Outlay		5,739	
Total Jail			\$ 5,979,374

Correctional Incentive Program Improvements

Supervisor/Director	\$	41,751
Guards		548,435
Part-time Personnel		81,523
Overtime Pay		11,598

(Continued)

Exhibit J-9

Bradley County, Tennessee
Schedule of Detailed Expenditures -
All Governmental Fund Types (Cont.)

General Fund (Cont.)

Public Safety (Cont.)

Correctional Incentive Program Improvements (Cont.)

Social Security	\$	51,990	
State Retirement		64,330	
Life Insurance		481	
Medical Insurance		139,243	
Unemployment Compensation		18,600	
Communication		6,779	
Maintenance and Repair Services - Buildings		2,846	
Maintenance and Repair Services - Equipment		2,740	
Maintenance and Repair Services - Office Equipment		398	
Medical and Dental Services		1,946	
Travel		2,000	
Tuition		1,065	
Custodial Supplies		12,317	
Food Supplies		18,220	
Gasoline		1,189	
Office Supplies		1,260	
Prisoners Clothing		4,593	
Utilities		22,064	
Other Supplies and Materials		3,440	
Liability Insurance		4,590	
Other Charges		949	
Communication Equipment		13	
Data Processing Equipment		1,970	
Law Enforcement Equipment		2,067	
Office Equipment		4,200	
Total Correctional Incentive Program Improvements			\$ 1,052,597

Juvenile Services

Assistant(s)	\$	10,159
Other Salaries and Wages		41,187
Social Security		3,675
State Retirement		2,851
Life Insurance		17
Medical Insurance		4,961
Unemployment Compensation		8,771
Communication		456
Travel		1,820
Other Contracted Services		10,000
Office Supplies		2,171
Other Supplies and Materials		2,653

(Continued)

Exhibit J-9

Bradley County, Tennessee
Schedule of Detailed Expenditures -
All Governmental Fund Types (Cont.)

General Fund (Cont.)

Public Safety (Cont.)

Juvenile Services (Cont.)

Other Charges	\$ 14,034	
Total Juvenile Services		\$ 102,755

Work Release Program

Supervisor/Director	\$ 49,137	
Probation Officer(s)	82,029	
Clerical Personnel	23,094	
Part-time Personnel	15,050	
Social Security	12,417	
State Retirement	20,408	
Life Insurance	102	
Medical Insurance	30,210	
Accounting Services	1,200	
Communication	4,779	
Evaluation and Testing	3,335	
Maintenance and Repair Services - Equipment	782	
Postal Charges	336	
Printing, Stationery, and Forms	400	
Rentals	18,000	
Travel	12,849	
Tuition	2,759	
Custodial Supplies	1,762	
Office Supplies	1,000	
Periodicals	365	
Utilities	4,289	
Other Supplies and Materials	2,924	
Liability Insurance	4,518	
Workers' Compensation Insurance	256	
Other Charges	15,413	
Data Processing Equipment	2,250	
Total Work Release Program		309,664

Civil Defense

Supervisor/Director	\$ 55,167
Accountants/Bookkeepers	29,994
Paraprofessionals	68,000
Overtime Pay	3,597
Social Security	11,931
State Retirement	20,739
Life Insurance	82

(Continued)

Exhibit J-9

Bradley County, Tennessee
Schedule of Detailed Expenditures -
All Governmental Fund Types (Cont.)

General Fund (Cont.)

Public Safety (Cont.)

Civil Defense (Cont.)

Medical Insurance	\$	24,168	
Unemployment Compensation		4,273	
Communication		21,400	
Contracts with Government Agencies		14,405	
Contracts with Other Public Agencies		4,727	
Dues and Memberships		1,200	
Janitorial Services		548	
Maintenance and Repair Services - Buildings		1,251	
Maintenance and Repair Services - Equipment		2,477	
Maintenance and Repair Services - Vehicles		3,505	
Postal Charges		109	
Travel		3,500	
Tuition		4,923	
Maintenance and Repair Services - Records		9,439	
Gasoline		13,551	
Office Supplies		1,882	
Uniforms		2,679	
Utilities		14,948	
Building and Contents Insurance		9,900	
Indirect Cost		21,697	
Vehicle and Equipment Insurance		7,709	
Other Charges		5,905	
Other Equipment		350,000	
Total Civil Defense			\$ 713,706

Rescue Squad

Communication	\$	413
Dues and Memberships		1,255
Maintenance and Repair Services - Buildings		6,274
Maintenance and Repair Services - Office Equipment		500
Maintenance and Repair Services - Vehicles		10,372
Medical and Dental Services		2,000
Postal Charges		37
Printing, Stationery, and Forms		189
Travel		2,287
Tuition		5,858
Custodial Supplies		793
Drugs and Medical Supplies		2,823
Food Supplies		1,950
Gasoline		11,319

(Continued)

Exhibit J-9

Bradley County, Tennessee
Schedule of Detailed Expenditures -
All Governmental Fund Types (Cont.)

General Fund (Cont.)

Public Safety (Cont.)

Rescue Squad (Cont.)

Instructional Supplies and Materials	\$	1,162	
Office Supplies		580	
Uniforms		589	
Utilities		14,577	
Other Supplies and Materials		5,000	
Vehicle and Equipment Insurance		24,845	
Other Charges		14,592	
Building Improvements		4,497	
Other Equipment		39,042	
Other Capital Outlay		29,855	
Total Rescue Squad			\$ 180,809

Other Emergency Management

Contracts with Government Agencies	\$	647,848	
Total Other Emergency Management			647,848

Inspection and Regulation

Investigator(s)	\$	17,539	
Social Security		1,329	
State Retirement		2,320	
Other Supplies and Materials		175	
Building and Contents Insurance		39,596	
Liability Insurance		101,503	
Total Inspection and Regulation			162,462

County Coroner/Medical Examiner

Medical Personnel	\$	11,999	
Overtime Pay		24,255	
Social Security		2,739	
State Retirement		3,209	
Communication		1,072	
Medical and Dental Services		53,287	
Postal Charges		200	
Printing, Stationery, and Forms		185	
Travel		1,330	
Drugs and Medical Supplies		2,771	
Gasoline		5,183	
Office Supplies		294	
Uniforms		386	
In Service/Staff Development		775	

(Continued)

Exhibit J-9

Bradley County, Tennessee
Schedule of Detailed Expenditures -
All Governmental Fund Types (Cont.)

General Fund (Cont.)

Public Safety (Cont.)

County Coroner/Medical Examiner (Cont.)

Data Processing Equipment	\$ 565	
Total County Coroner/Medical Examiner		\$ 108,250

Other Public Safety

Contributions	\$ 450,000	
Total Other Public Safety		450,000

Public Health and Welfare

Local Health Center

Paraprofessionals	\$ 73,211	
Custodial Personnel	29,359	
Social Security	7,635	
State Retirement	9,911	
Life Insurance	99	
Medical Insurance	29,378	
Communication	6,999	
Maintenance and Repair Services - Buildings	2,950	
Rentals	1,000	
Travel	7,293	
Tuition	999	
Custodial Supplies	3,028	
Drugs and Medical Supplies	2,716	
Office Supplies	6,335	
Utilities	25,932	
Other Supplies and Materials	1,708	
Other Charges	185,244	
Total Local Health Center		393,797

Rabies and Animal Control

Contracts with Government Agencies	\$ 339,741	
Total Rabies and Animal Control		339,741

Ambulance/Emergency Medical Services

Supervisor/Director	\$ 59,396
Accountants/Bookkeepers	106,849
Paraprofessionals	2,121,676
Part-time Personnel	430,632
Overtime Pay	195,776
Social Security	218,432
State Retirement	306,942

(Continued)

Exhibit J-9

Bradley County, Tennessee
Schedule of Detailed Expenditures -
All Governmental Fund Types (Cont.)

General Fund (Cont.)

Public Health and Welfare (Cont.)

Ambulance/Emergency Medical Services (Cont.)

Life Insurance	\$	1,226	
Medical Insurance		355,672	
Unemployment Compensation		4,277	
Communication		15,880	
Dues and Memberships		404	
Laundry Service		15,000	
Licenses		3,123	
Maintenance and Repair Services - Buildings		4,940	
Maintenance and Repair Services - Equipment		5,657	
Maintenance and Repair Services - Vehicles		102,987	
Medical and Dental Services		1,200	
Travel		2,272	
Tuition		12,870	
Custodial Supplies		5,695	
Drugs and Medical Supplies		131,790	
Gasoline		127,056	
Office Supplies		18,585	
Uniforms		18,306	
Utilities		19,964	
Other Supplies and Materials		6,000	
Vehicle and Equipment Insurance		11,000	
Workers' Compensation Insurance		92,500	
Data Processing Equipment		8,344	
Motor Vehicles		2,236	
Office Equipment		2,888	
Other Equipment		13,669	
Total Ambulance/Emergency Medical Services			\$ 4,423,244

Alcohol and Drug Programs

Other Salaries and Wages	\$	32,853	
Social Security		2,493	
State Retirement		4,346	
Life Insurance		20	
Medical Insurance		5,859	
Travel		607	
Other Supplies and Materials		1,168	
Total Alcohol and Drug Programs			47,346

Other Local Health Services

Medical Personnel	\$	103,002	
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(Continued)

Exhibit J-9

Bradley County, Tennessee
Schedule of Detailed Expenditures -
All Governmental Fund Types (Cont.)

<u>General Fund (Cont.)</u>		
<u>Public Health and Welfare (Cont.)</u>		
<u>Other Local Health Services (Cont.)</u>		
Paraprofessionals	\$ 406,349	
Clerical Personnel	154,748	
Part-time Personnel	16,764	
Social Security	51,538	
State Retirement	67,784	
Life Insurance	432	
Medical Insurance	125,941	
Contracts with Government Agencies	2,999	
Travel	24,889	
Office Supplies	355	
Total Other Local Health Services		\$ 954,801
<u>General Welfare Assistance</u>		
Contributions	\$ 2,000	
Total General Welfare Assistance		2,000
<u>Other Local Welfare Services</u>		
Contracts with Government Agencies	\$ 78,865	
Total Other Local Welfare Services		78,865
<u>Waste Pickup</u>		
Other Supplies and Materials	\$ 300	
Total Waste Pickup		300
<u>Other Public Health and Welfare</u>		
Other Supplies and Materials	\$ 11,981	
Total Other Public Health and Welfare		11,981
<u>Social, Cultural, and Recreational Services</u>		
<u>Adult Activities</u>		
Contracts with Government Agencies	\$ 10,000	
Total Adult Activities		10,000
<u>Senior Citizens Assistance</u>		
Contracts with Other Public Agencies	\$ 2,500	
Contributions	91,560	
Total Senior Citizens Assistance		94,060
<u>Other Social, Cultural, and Recreational</u>		
Assistant(s)	\$ 71,448	

(Continued)

Exhibit J-9

Bradley County, Tennessee
Schedule of Detailed Expenditures -
All Governmental Fund Types (Cont.)

General Fund (Cont.)

Social, Cultural, and Recreational Services (Cont.)

Other Social, Cultural, and Recreational (Cont.)

Supervisor/Director	\$	50,000	
Foremen		28,407	
Clerical Personnel		19,484	
Cafeteria Personnel		27,880	
Maintenance Personnel		89,631	
Temporary Personnel		13,538	
Overtime Pay		663	
Other Salaries and Wages		23,680	
Social Security		24,464	
State Retirement		33,506	
Life Insurance		180	
Medical Insurance		41,525	
Unemployment Compensation		1,621	
Communication		4,500	
Maintenance and Repair Services - Buildings		68,552	
Travel		1,377	
Food Supplies		61,625	
Gasoline		13,272	
Office Supplies		2,267	
Uniforms		1,705	
Utilities		106,189	
Other Supplies and Materials		216,701	
Vehicle and Equipment Insurance		1,000	
Workers' Compensation Insurance		4,924	
Other Equipment		18,964	
Other Capital Outlay		17,551	
Total Other Social, Cultural, and Recreational			\$ 944,654

Agriculture and Natural Resources

Agriculture Extension Service

Clerical Personnel	\$	19,527
Part-time Personnel		15,249
Other Salaries and Wages		140,034
Social Security		8,548
Extension Service Medicare		889
State Retirement		17,287
Life Insurance		20
Medical Insurance		13,527
Other Fringe Benefits		852
Communication		2,199

(Continued)

Exhibit J-9

Bradley County, Tennessee
Schedule of Detailed Expenditures -
All Governmental Fund Types (Cont.)

General Fund (Cont.)

Agriculture and Natural Resources (Cont.)

Agriculture Extension Service (Cont.)

Contracts with Government Agencies	\$	3,500	
Maintenance and Repair Services - Buildings		7,657	
Travel		2,400	
Office Supplies		521	
Utilities		4,766	
Total Agriculture Extension Service			\$ 236,976

Soil Conservation

Contracts with Government Agencies	\$	40,069	
Contracts with Other Public Agencies		200	
Other Charges		10,000	
Total Soil Conservation			50,269

Storm Water Management

Assistant(s)	\$	61,738	
Supervisor/Director		57,311	
Part-time Personnel		24,998	
Social Security		10,990	
State Retirement		15,750	
Life Insurance		41	
Medical Insurance		12,075	
Advertising		1,496	
Communication		41	
Data Processing Services		2,998	
Dues and Memberships		150	
Evaluation and Testing		12,728	
Legal Notices, Recording, and Court Costs		797	
Maintenance and Repair Services - Vehicles		449	
Travel		4,996	
Tuition		1,995	
Permits		3,000	
Other Contracted Services		14,000	
Gasoline		1,300	
Instructional Supplies and Materials		2,098	
Office Supplies		1,198	
Periodicals		100	
Testing		996	
Other Supplies and Materials		143	
Vehicle and Equipment Insurance		500	
Other Charges		150	
Total Storm Water Management			232,038

(Continued)

Exhibit J-9

Bradley County, Tennessee
Schedule of Detailed Expenditures -
All Governmental Fund Types (Cont.)

General Fund (Cont.)

Other Operations

Tourism

Contributions	\$ 148,132	
Total Tourism		\$ 148,132

Industrial Development

Contributions	\$ 148,132	
Total Industrial Development		148,132

Public Transportation

Matching Share	\$ 42,000	
Total Public Transportation		42,000

Veterans' Services

Assistant(s)	\$ 25,200	
Supervisor/Director	29,234	
Clerical Personnel	21,788	
Social Security	5,750	
State Retirement	10,084	
Life Insurance	61	
Medical Insurance	12,084	
Communication	744	
Dues and Memberships	100	
Travel	1,244	
Other Contracted Services	1,098	
Office Supplies	1,288	
Other Supplies and Materials	350	
Total Veterans' Services		109,025

Other Charges

Trustee's Commission	\$ 311,529	
Total Other Charges		311,529

Contributions to Other Agencies

Contributions	\$ 55,000	
Dues and Memberships	23,765	
Total Contributions to Other Agencies		78,765

ARRA Grant # 1

Other Salaries and Wages	\$ 27,000	
Social Security	2,043	
State Retirement	3,572	

(Continued)

Exhibit J-9

Bradley County, Tennessee
Schedule of Detailed Expenditures -
All Governmental Fund Types (Cont.)

General Fund (Cont.)

Other Operations (Cont.)

ARRA Grant # 1 (Cont.)

Life Insurance	\$	19	
Medical Insurance		5,743	
Communication		213	
Rentals		4,341	
Travel		2,778	
Other Supplies and Materials		1,500	
Total ARRA Grant # 1			\$ 47,209

ARRA Grant # 2

Other Salaries and Wages	\$	17,433	
Social Security		1,321	
State Retirement		748	
Life Insurance		12	
Medical Insurance		3,587	
Communication		223	
Travel		5,345	
Office Supplies		491	
Other Capital Outlay		600	
Total ARRA Grant # 2			29,760

ARRA Grant # 3

Deputy(ies)	\$	24,560	
Social Security		1,846	
State Retirement		2,174	
Life Insurance		14	
Medical Insurance		4,088	
Workers' Compensation Insurance		1,507	
Total ARRA Grant # 3			34,189

ARRA Grant # 4

Other Equipment	\$	3,146	
Total ARRA Grant # 4			3,146

ARRA Grant # 6

Law Enforcement Equipment	\$	144,432	
Total ARRA Grant # 6			144,432

Miscellaneous

Paraprofessionals	\$	12,587	
Part-time Personnel		9,844	

(Continued)

Exhibit J-9

Bradley County, Tennessee
Schedule of Detailed Expenditures -
All Governmental Fund Types (Cont.)

<u>General Fund (Cont.)</u>		
<u>Other Operations (Cont.)</u>		
<u>Miscellaneous (Cont.)</u>		
Social Security	\$ 1,712	
State Retirement	247	
Travel	1,425	
Other Charges	7,319	
Total Miscellaneous	<u> </u>	\$ 33,134
Total General Fund		\$ 32,498,508
<u>Law Library Fund</u>		
<u>Social, Cultural, and Recreational Services</u>		
<u>Libraries</u>		
Library Books/Media	\$ 7,495	
Office Supplies	180	
Total Libraries	<u> </u>	\$ 7,675
<u>Other Operations</u>		
<u>Other Charges</u>		
Trustee's Commission	\$ 126	
Total Other Charges	<u> </u>	126
Total Law Library Fund		7,801
<u>Public Library Fund</u>		
<u>Social, Cultural, and Recreational Services</u>		
<u>Libraries</u>		
Library Books/Media	\$ 558,016	
Total Libraries	<u> </u>	\$ 558,016
<u>Other Operations</u>		
<u>Other Charges</u>		
Trustee's Commission	\$ 11,478	
Total Other Charges	<u> </u>	11,478
Total Public Library Fund		569,494
<u>Solid Waste/Sanitation Fund</u>		
<u>Public Health and Welfare</u>		
<u>Other Waste Collection</u>		
Other Contracted Services	\$ 39,250	
Total Other Waste Collection	<u> </u>	\$ 39,250

(Continued)

Exhibit J-9

Bradley County, Tennessee
Schedule of Detailed Expenditures -
All Governmental Fund Types (Cont.)

Solid Waste/Sanitation Fund (Cont.)

Public Health and Welfare (Cont.)

Recycling Center

Maintenance Personnel	\$	14,604	
Social Security		1,117	
Other Contracted Services		372	
Other Supplies and Materials		1,882	
Other Equipment		23,396	
Total Recycling Center			\$ 41,371

Other Operations

Other Charges

Trustee's Commission	\$	2,271	
Total Other Charges			2,271

Contributions to Other Agencies

Contributions	\$	26,500	
Total Contributions to Other Agencies			26,500

Total Solid Waste/Sanitation Fund \$ 109,392

Drug Control Fund

Public Safety

Sheriff's Department

Maintenance and Repair Services - Vehicles	\$	9,887	
Tow-in Services		450	
Travel		292	
Tuition		60	
Other Supplies and Materials		1,443	
Furniture and Fixtures		3,800	
Law Enforcement Equipment		27,921	
Motor Vehicles		20,456	
Total Sheriff's Department			\$ 64,309

Drug Enforcement

Investigator(s)	\$	198,767	
Clerical Personnel		23,464	
Overtime Pay		21,635	
Social Security		18,380	
State Retirement		32,250	
Life Insurance		120	
Medical Insurance		35,578	
Communication		9,885	

(Continued)

Exhibit J-9

Bradley County, Tennessee
Schedule of Detailed Expenditures -
All Governmental Fund Types (Cont.)

Drug Control Fund (Cont.)

Public Safety (Cont.)

Drug Enforcement (Cont.)

Confidential Drug Enforcement Payments	\$	20,000	
Other Contracted Services		28,350	
Uniforms		1,110	
Other Supplies and Materials		15,728	
Total Drug Enforcement			\$ 405,267

Public Health and Welfare

Alcohol and Drug Programs

Other Supplies and Materials	\$	28,640	
Total Alcohol and Drug Programs			28,640

Other Operations

Other Charges

Trustee's Commission	\$	1,030	
Total Other Charges			1,030

Total Drug Control Fund \$ 499,246

Agri-Business Fund

Social, Cultural, and Recreational Services

Other Social, Cultural, and Recreational

County Official/Administrative Officer	\$	49,014	
Supervisor/Director		21,120	
Clerical Personnel		46,587	
Social Security		8,841	
State Retirement		15,442	
Life Insurance		82	
Medical Insurance		18,126	
Utilities		9,751	
Building and Contents Insurance		4,616	
Vehicle and Equipment Insurance		700	
Workers' Compensation Insurance		100	
Total Other Social, Cultural, and Recreational			\$ 174,379

Other Operations

Other Charges

Trustee's Commission	\$	1,392	
Total Other Charges			1,392

Total Agri-Business Fund 175,771

(Continued)

Exhibit J-9

Bradley County, Tennessee
Schedule of Detailed Expenditures -
All Governmental Fund Types (Cont.)

Special Purpose Fire Tax Fund

Public Safety

Fire Prevention and Control

Supervisor/Director	\$	52,000	
Investigator(s)		30,000	
Captain(s)		58,601	
Lieutenant(s)		107,009	
Paraprofessionals		270,178	
Truck Drivers		149,106	
Clerical Personnel		28,000	
Educational Incentive - Other County Employees		15,000	
Overtime Pay		72,023	
Social Security		58,243	
State Retirement		87,860	
Life Insurance		543	
Medical Insurance		161,529	
Communication		15,723	
Laundry Service		5,542	
Maintenance and Repair Services - Buildings		2,905	
Maintenance and Repair Services - Vehicles		42,336	
Medical and Dental Services		1,109	
Travel		3,268	
Tuition		6,419	
Other Contracted Services		41,207	
Custodial Supplies		5,250	
Gasoline		36,842	
Office Supplies		2,367	
Uniforms		8,115	
Utilities		39,733	
Other Supplies and Materials		18,455	
Building and Contents Insurance		2,400	
Liability Insurance		3,400	
Vehicle and Equipment Insurance		19,000	
Workers' Compensation Insurance		26,872	
Law Enforcement Equipment		2,301	
Other Equipment		40,770	
Other Capital Outlay		367,222	
Total Fire Prevention and Control			\$ 1,781,328

Other Operations

Other Charges

Trustee's Commission	\$	35,091	
Total Other Charges			35,091

Total Special Purpose Fire Tax Fund \$ 1,816,419

(Continued)

Exhibit J-9

Bradley County, Tennessee
Schedule of Detailed Expenditures -
All Governmental Fund Types (Cont.)

Constitutional Officers - Fees Fund

General Government

Register of Deeds

Constitutional Officers' Operating Expenses	\$ 294,614	
Total Register of Deeds		\$ 294,614

Finance

County Trustee's Office

Constitutional Officers' Operating Expenses	\$ 391,231	
Total County Trustee's Office		391,231

County Clerk's Office

Constitutional Officers' Operating Expenses	\$ 841,873	
Total County Clerk's Office		841,873

Administration of Justice

Chancery Court

Constitutional Officers' Operating Expenses	\$ 224,898	
Total Chancery Court		<u>224,898</u>

Total Constitutional Officers - Fees Fund		\$ 1,752,616
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Highway/Public Works Fund

Highways

Administration

County Official/Administrative Officer	\$ 80,320	
Assistant(s)	50,149	
Supervisor/Director	40,198	
Accountants/Bookkeepers	24,154	
Dispatchers/Radio Operators	29,266	
Overtime Pay	1,572	
Other Salaries and Wages	201,225	
Data Processing Services	6,263	
Dues and Memberships	3,736	
Legal Notices, Recording, and Court Costs	1,008	
Maintenance and Repair Services - Office Equipment	684	
Travel	1,619	
Office Supplies	4,542	
Communication Equipment	10,876	
Office Equipment	<u>3,517</u>	
Total Administration		\$ 459,129

(Continued)

Exhibit J-9

Bradley County, Tennessee
Schedule of Detailed Expenditures -
All Governmental Fund Types (Cont.)

Highway/Public Works Fund (Cont.)

Highways (Cont.)

Highway and Bridge Maintenance

Foremen	\$	32,837	
Equipment Operators		286,402	
Truck Drivers		235,831	
Laborers		312,342	
Overtime Pay		26,183	
Rentals		1,903	
Other Contracted Services		8,701	
Asphalt - Hot Mix		1,806,274	
Asphalt - Liquid		46,863	
Concrete		4,096	
Crushed Stone		62,000	
Fertilizer, Lime, and Seed		2,183	
General Construction Materials		59,437	
Pipe - Concrete		2,217	
Pipe - Metal		31,525	
Road Signs		60,908	
Salt		17,809	
Sand		16	
Small Tools		1,552	
Wood Products		54	
Other Supplies and Materials		2,985	
Total Highway and Bridge Maintenance			\$ 3,002,118

Operation and Maintenance of Equipment

Foremen	\$	32,843	
Mechanic(s)		88,087	
Overtime Pay		1,517	
Laundry Service		11,750	
Other Contracted Services		243	
Diesel Fuel		118,799	
Equipment and Machinery Parts		80,787	
Garage Supplies		14,299	
Gasoline		33,463	
Lubricants		4,050	
Propane Gas		3,823	
Small Tools		518	
Tires and Tubes		27,240	
Other Supplies and Materials		1,567	
Total Operation and Maintenance of Equipment			418,986

(Continued)

Exhibit J-9

Bradley County, Tennessee
Schedule of Detailed Expenditures -
All Governmental Fund Types (Cont.)

Highway/Public Works Fund (Cont.)

Highways (Cont.)

Litter and Trash Collection

Truck Drivers	\$	24,378	
Guards		28,888	
Other Salaries and Wages		6,500	
Other Contracted Services		1,912	
Other Supplies and Materials		18,755	
Total Litter and Trash Collection			\$ 80,433

Other Charges

Communication	\$	5,545	
Electricity		11,713	
Water and Sewer		1,007	
Liability Insurance		58,658	
Trustee's Commission		73,131	
Total Other Charges			150,054

Employee Benefits

Social Security	\$	112,924	
State Retirement		183,374	
Employee and Dependent Insurance		5,064	
Life Insurance		1,180	
Medical Insurance		338,269	
Unemployment Compensation		3,244	
Workers' Compensation Insurance		42,613	
Total Employee Benefits			686,668

Capital Outlay

Engineering Services	\$	41,588	
Bridge Construction		84,279	
Building Improvements		14,184	
Other Equipment		152,267	
Total Capital Outlay			292,318

Capital Projects

Highway and Street Capital Projects

Equipment Operators	\$	56,591	
Truck Drivers		40,683	
Laborers		49,782	
Overtime Pay		2,334	
Social Security		11,174	
State Retirement		20,024	

(Continued)

Exhibit J-9

Bradley County, Tennessee
Schedule of Detailed Expenditures -
All Governmental Fund Types (Cont.)

Highway/Public Works Fund (Cont.)

Capital Projects (Cont.)

Highway and Street Capital Projects (Cont.)

Engineering Services	\$	2,248	
Rentals		654	
Other Contracted Services		26	
Concrete		4,188	
Crushed Stone		1,468	
Diesel Fuel		9,000	
Equipment and Machinery Parts		1,163	
General Construction Materials		9,028	
Pipe - Metal		5,126	
Small Tools		5,836	
Workers' Compensation Insurance		5,875	
Bridge Construction		42,710	
Total Highway and Street Capital Projects			\$ 267,910

Total Highway/Public Works Fund \$ 5,357,616

Vocational Building Fund

General Government

Other Facilities

Maintenance and Repair Services - Buildings	\$	3,592	
Total Other Facilities			\$ 3,592

Other Operations

Other Charges

Trustee's Commission	\$	921	
Total Other Charges			921

Total Vocational Building Fund 4,513

General Debt Service Fund

Other Operations

Other Charges

Trustee's Commission	\$	97,834	
Total Other Charges			\$ 97,834

Principal on Debt

General Government

Principal on Notes	\$	24,049	
Principal on Other Loans		577,444	
Total General Government			601,493

(Continued)

Exhibit J-9

Bradley County, Tennessee
Schedule of Detailed Expenditures -
All Governmental Fund Types (Cont.)

General Debt Service Fund (Cont.)

Principal on Debt (Cont.)

Education

Principal on Notes	\$ 50,000	
Principal on Other Loans	<u>1,772,556</u>	
Total Education		\$ 1,822,556

Interest on Debt

General Government

Interest on Other Loans	\$ 403,659	
Total General Government		403,659

Education

Interest on Bonds	\$ 677,933	
Interest on Notes	10,320	
Interest on Other Loans	<u>1,352,160</u>	
Total Education		2,040,413

Other Debt Service

General Government

Other Debt Service	\$ 193,192	
Total General Government		193,192

Education

Other Debt Service	\$ 162,068	
Total Education		<u>162,068</u>

Total General Debt Service Fund \$ 5,321,215

General Capital Projects Fund

Other Operations

Other Charges

Trustee's Commission	\$ 5,392	
Total Other Charges		\$ 5,392

Capital Projects

Public Health and Welfare Projects

Motor Vehicles	\$ 142,596	
Total Public Health and Welfare Projects		142,596

Social, Cultural, and Recreation Projects

Other Capital Outlay	\$ 34,078	
Total Social, Cultural, and Recreation Projects		34,078

(Continued)

Exhibit J-9

Bradley County, Tennessee
Schedule of Detailed Expenditures -
All Governmental Fund Types (Cont.)

<u>General Capital Projects Fund (Cont.)</u>			
<u>Capital Projects (Cont.)</u>			
<u>Highway and Street Capital Projects</u>			
Highway Construction	\$	178,752	
Total Highway and Street Capital Projects			\$ 178,752
Total General Capital Projects Fund			\$ 360,818
<u>Community Development/Industrial Park Fund</u>			
<u>Other Operations</u>			
<u>Industrial Development</u>			
Water and Sewer	\$	310,538	
Other Charges		1,000,000	
Total Industrial Development			\$ 1,310,538
<u>Other Charges</u>			
Trustee's Commission	\$	39,627	
Total Other Charges			39,627
Total Community Development/Industrial Park Fund			1,350,165
<u>Peerless Road Capital Projects Fund</u>			
<u>Capital Projects</u>			
<u>Public Utility Projects</u>			
Other Construction	\$	241,191	
Total Public Utility Projects			\$ 241,191
Total Peerless Road Capital Projects Fund			241,191
<u>HUD Grant Projects Fund</u>			
<u>Other Operations</u>			
<u>Other Charges</u>			
Trustee's Commission	\$	21	
Total Other Charges			\$ 21
Total HUD Grant Projects Fund			21
<u>Education Capital Projects Fund</u>			
<u>Other Operations</u>			
<u>Other Charges</u>			
Trustee's Commission	\$	677	
Total Other Charges			\$ 677

(Continued)

Exhibit J-9

Bradley County, Tennessee
Schedule of Detailed Expenditures -
All Governmental Fund Types (Cont.)

<u>Education Capital Projects Fund (Cont.)</u>		
<u>Capital Projects</u>		
<u>Education Capital Projects</u>		
Contributions	\$ 17,391,976	
Underwriter's Discount	51,725	
Other Debt Issuance Charges	127,900	
Total Education Capital Projects	<u> </u>	\$ 17,571,601
Total Education Capital Projects Fund		\$ 17,572,278
<u>Other Capital Projects Fund</u>		
<u>Other Operations</u>		
<u>Other Economic and Community Development</u>		
Other Contracted Services	\$ 26,750	
Total Other Economic and Community Development	<u> </u>	\$ 26,750
Total Other Capital Projects Fund		26,750
<u>Endowment Fund</u>		
<u>Public Health and Welfare</u>		
<u>Other Public Health and Welfare</u>		
Contributions	\$ 232,428	
Total Other Public Health and Welfare	<u> </u>	\$ 232,428
Total Endowment Fund		<u>232,428</u>
Total Governmental Funds - Primary Government		<u>\$ 67,896,242</u>

Exhibit J-10

Bradley County, Tennessee
Schedule of Detailed Expenditures -
All Governmental Fund Types
Discretely Presented Bradley County School Department
For the Year Ended June 30, 2010

General Purpose School Fund

Instruction

Regular Instruction Program

Teachers	\$ 24,721,009	
Career Ladder Program	252,140	
Career Ladder Extended Contracts	164,700	
Homebound Teachers	55,400	
Educational Assistants	878,397	
Other Salaries and Wages	40,742	
Non-certified Substitute Teachers	301,157	
Social Security	1,587,385	
State Retirement	1,803,664	
Life Insurance	25,599	
Medical Insurance	3,225,942	
Employer Medicare	376,916	
Other Fringe Benefits	326,123	
Operating Lease Payments	4,800	
Maintenance and Repair Services - Equipment	81,131	
Other Contracted Services	126,484	
Instructional Supplies and Materials	368,638	
Textbooks	675,771	
Other Supplies and Materials	32,974	
Fee Waivers	84,000	
Other Charges	20,430	
Regular Instruction Equipment	917,593	
Total Regular Instruction Program		\$ 36,070,995

Special Education Program

Teachers	\$ 365,336
Career Ladder Program	15,000
Educational Assistants	111,480
Speech Pathologist	162,961
Other Salaries and Wages	89,425
Non-certified Substitute Teachers	15,204
Social Security	115,528
State Retirement	139,168
Life Insurance	2,115
Medical Insurance	262,627
Employer Medicare	27,756
Other Contracted Services	17,036
Instructional Supplies and Materials	180,477
Other Supplies and Materials	63,089

(Continued)

Exhibit J-10

Bradley County, Tennessee
Schedule of Detailed Expenditures -
All Governmental Fund Types
Discretely Presented Bradley County School Department (Cont.)

General Purpose School Fund (Cont.)

Instruction (Cont.)

Special Education Program (Cont.)

Other Charges	\$	7,089	
Special Education Equipment		155,309	
Total Special Education Program			\$ 1,729,600

Vocational Education Program

Teachers	\$	1,827,617	
Career Ladder Program		7,000	
Non-certified Substitute Teachers		17,000	
Social Security		111,278	
State Retirement		124,929	
Life Insurance		1,813	
Medical Insurance		247,516	
Employer Medicare		26,025	
Maintenance and Repair Services - Equipment		12,000	
Instructional Supplies and Materials		80,200	
Total Vocational Education Program			2,455,378

Adult Education Program

Teachers	\$	35,680	
Other Salaries and Wages		81,312	
Social Security		7,243	
State Retirement		5,497	
Life Insurance		98	
Medical Insurance		13,308	
Employer Medicare		1,694	
Travel		1,775	
Instructional Supplies and Materials		1,668	
Other Charges		5,048	
Total Adult Education Program			153,323

Support Services

Attendance

Supervisor/Director	\$	37,715	
Career Ladder Program		1,000	
Clerical Personnel		49,883	
Social Security		5,219	
State Retirement		9,085	
Life Insurance		104	
Medical Insurance		13,864	

(Continued)

Exhibit J-10

Bradley County, Tennessee
Schedule of Detailed Expenditures -
All Governmental Fund Types
Discretely Presented Bradley County School Department (Cont.)

General Purpose School Fund (Cont.)

Support Services (Cont.)

Attendance (Cont.)

Employer Medicare	\$	1,221	
Travel		1,081	
Other Supplies and Materials		3,057	
Attendance Equipment		1,188	
Total Attendance			\$ 123,417

Health Services

Medical Personnel	\$	308,727	
Other Salaries and Wages		43,384	
Social Security		23,046	
State Retirement		45,298	
Life Insurance		518	
Medical Insurance		66,654	
Employer Medicare		5,390	
Travel		5,511	
Drugs and Medical Supplies		5,000	
Other Supplies and Materials		23,034	
Other Charges		199	
Total Health Services			526,761

Other Student Support

Career Ladder Program	\$	10,000	
Guidance Personnel		1,118,168	
Other Salaries and Wages		179,351	
Social Security		78,179	
State Retirement		94,914	
Life Insurance		1,214	
Medical Insurance		145,573	
Employer Medicare		18,313	
Communication		1,092	
Evaluation and Testing		80,203	
Travel		1,623	
Other Charges		104	
Total Other Student Support			1,728,734

Regular Instruction Program

Supervisor/Director	\$	160,915	
Career Ladder Program		12,500	
Librarians		721,250	

(Continued)

Exhibit J-10

Bradley County, Tennessee
Schedule of Detailed Expenditures -
All Governmental Fund Types
Discretely Presented Bradley County School Department (Cont.)

General Purpose School Fund (Cont.)

Support Services (Cont.)

Regular Instruction Program (Cont.)

Materials Supervisor	\$	24,044	
Secretary(ies)		49,042	
Educational Assistants		161,418	
Other Salaries and Wages		140,850	
Social Security		76,096	
State Retirement		86,852	
Life Insurance		1,133	
Medical Insurance		154,159	
Employer Medicare		17,911	
Communication		235	
Maintenance and Repair Services - Equipment		1,088	
Travel		19,556	
Library Books/Media		259,102	
In Service/Staff Development		2,100	
Total Regular Instruction Program			\$ 1,888,251

Special Education Program

Supervisor/Director	\$	79,343	
Career Ladder Program		12,500	
Psychological Personnel		201,189	
Secretary(ies)		32,695	
Other Salaries and Wages		132,989	
Social Security		26,230	
State Retirement		30,993	
Life Insurance		302	
Medical Insurance		34,197	
Employer Medicare		6,610	
Operating Lease Payments		11,973	
Other Supplies and Materials		41,404	
In Service/Staff Development		13,132	
Other Equipment		4,344	
Total Special Education Program			627,901

Vocational Education Program

Supervisor/Director	\$	61,483
Secretary(ies)		23,965
Social Security		5,161
State Retirement		7,143
Life Insurance		86

(Continued)

Exhibit J-10

Bradley County, Tennessee
Schedule of Detailed Expenditures -
All Governmental Fund Types
Discretely Presented Bradley County School Department (Cont.)

General Purpose School Fund (Cont.)

Support Services (Cont.)

Vocational Education Program (Cont.)

Medical Insurance	\$	11,274	
Employer Medicare		1,207	
Travel		4,072	
Other Supplies and Materials		1,082	
Other Charges		667	
Total Vocational Education Program			\$ 116,140

Other Programs

On-Behalf Payments to OPEB	\$	447,294	
Remittance of Revenue Collected		358,024	
Total Other Programs			805,318

Board of Education

Board and Committee Members Fees	\$	20,400	
Social Security		1,066	
State Retirement		1,799	
Unemployment Compensation		53,237	
Employer Medicare		296	
Audit Services		25,460	
Dues and Memberships		7,897	
Legal Services		27,230	
Travel		8,315	
Other Contracted Services		3,630	
Liability Insurance		87,836	
Premiums on Corporate Surety Bonds		4,376	
Trustee's Commission		326,357	
Workers' Compensation Insurance		163,079	
Criminal Investigation of Applicants - TBI		9,376	
Refund to Applicant for Criminal Investigation		3,224	
Other Charges		425	
Total Board of Education			744,003

Director of Schools

County Official/Administrative Officer	\$	112,587	
Career Ladder Program		1,000	
Secretary(ies)		72,675	
Other Salaries and Wages		5,336	
Social Security		11,447	
State Retirement		23,951	

(Continued)

Exhibit J-10

Bradley County, Tennessee
Schedule of Detailed Expenditures -
All Governmental Fund Types
Discretely Presented Bradley County School Department (Cont.)

General Purpose School Fund (Cont.)

Support Services (Cont.)

Director of Schools (Cont.)

Life Insurance	\$	823	
Medical Insurance		23,228	
Employer Medicare		2,927	
Other Fringe Benefits		14,098	
Communication		40,425	
Dues and Memberships		1,427	
Postal Charges		4,500	
Travel		5,515	
Office Supplies		2,921	
Other Charges		14,789	
Administration Equipment		385	
Total Director of Schools			\$ 338,034

Office of the Principal

Principals	\$	1,187,225	
Career Ladder Program		17,500	
Assistant Principals		743,293	
Secretary(ies)		646,378	
Social Security		153,295	
State Retirement		211,205	
Life Insurance		2,374	
Medical Insurance		331,787	
Employer Medicare		35,851	
Dues and Memberships		8,800	
Travel		1,583	
Total Office of the Principal			3,339,291

Fiscal Services

Supervisor/Director	\$	79,343	
Career Ladder Program		3,000	
Accountants/Bookkeepers		158,025	
Social Security		13,645	
State Retirement		30,089	
Life Insurance		216	
Medical Insurance		20,665	
Employer Medicare		3,375	
Data Processing Services		8,480	
Dues and Memberships		320	
Travel		1,601	

(Continued)

Exhibit J-10

Bradley County, Tennessee
Schedule of Detailed Expenditures -
All Governmental Fund Types
Discretely Presented Bradley County School Department (Cont.)

General Purpose School Fund (Cont.)

Support Services (Cont.)

Fiscal Services (Cont.)

Other Contracted Services	\$ 4,647	
Data Processing Supplies	4,038	
Office Supplies	3,534	
Administration Equipment	1,408	
Total Fiscal Services	\$ 332,386	\$ 332,386

Operation of Plant

Supervisor/Director	\$ 66,187	
Guards	10,204	
Custodial Personnel	514,179	
Social Security	36,083	
State Retirement	70,225	
Life Insurance	1,078	
Medical Insurance	127,105	
Employer Medicare	8,439	
Janitorial Services	558,868	
Maintenance and Repair Services - Equipment	15,216	
Rentals	1,853	
Travel	5,826	
Disposal Fees	29,830	
Other Contracted Services	24,901	
Custodial Supplies	105,215	
Electricity	1,695,922	
Fuel Oil	158,133	
Natural Gas	255,455	
Water and Sewer	235,727	
Boiler Insurance	14,004	
Building and Contents Insurance	247,307	
Other Charges	7,042	
Principal on Notes	47,380	
Principal on Capital Leases	74,262	
Interest on Capital Leases	19,618	
Total Operation of Plant	4,330,059	4,330,059

Maintenance of Plant

Supervisor/Director	\$ 57,372
Maintenance Personnel	448,868
Other Salaries and Wages	15,064
Social Security	31,896

(Continued)

Exhibit J-10

Bradley County, Tennessee
Schedule of Detailed Expenditures -
All Governmental Fund Types
Discretely Presented Bradley County School Department (Cont.)

General Purpose School Fund (Cont.)

Support Services (Cont.)

Maintenance of Plant (Cont.)

State Retirement	\$	67,746	
Life Insurance		600	
Medical Insurance		64,445	
Employer Medicare		7,460	
Other Contracted Services		29,040	
Other Supplies and Materials		334,754	
Other Charges		10,812	
Other Capital Outlay		418,656	
Total Maintenance of Plant			\$ 1,486,713

Transportation

Supervisor/Director	\$	37,715	
Clerical Personnel		31,800	
Social Security		3,975	
State Retirement		6,629	
Life Insurance		65	
Medical Insurance		8,906	
Employer Medicare		930	
Communication		8,946	
Contracts with Vehicle Owners		1,752,883	
Maintenance and Repair Services - Vehicles		78,073	
Medical and Dental Services		2,996	
Travel		685	
Gasoline		58,323	
Other Supplies and Materials		1,977	
Vehicle and Equipment Insurance		78,772	
Other Charges		1,033	
Transportation Equipment		7,920	
Total Transportation			2,081,628

Central and Other

Supervisor/Director	\$	75,431	
Data Processing Personnel		166,740	
Social Security		14,491	
State Retirement		26,902	
Life Insurance		259	
Medical Insurance		34,934	
Employer Medicare		3,389	
Maintenance and Repair Services - Equipment		64,338	

(Continued)

Exhibit J-10

Bradley County, Tennessee
Schedule of Detailed Expenditures -
All Governmental Fund Types
Discretely Presented Bradley County School Department (Cont.)

General Purpose School Fund (Cont.)

Support Services (Cont.)

Central and Other (Cont.)

Travel	\$	3,976	
Other Contracted Services		189,359	
Other Supplies and Materials		1,067	
Other Charges		3,498	
Total Central and Other			\$ 584,384

Operation of Non-Instructional Services

Food Service

Supervisor/Director	\$	48,276	
Social Security		2,979	
State Retirement		6,387	
Life Insurance		3,278	
Medical Insurance		5,166	
Employer Medicare		697	
Travel		2,711	
Other Contracted Services		1,800	
Other Supplies and Materials		1,748	
Other Charges		105	
Total Food Service			73,147

Community Services

Other Salaries and Wages	\$	279,297	
Social Security		17,250	
State Retirement		10,286	
Employer Medicare		4,034	
Maintenance and Repair Services - Equipment		3,723	
Printing, Stationery, and Forms		4,080	
Travel		2,937	
Other Contracted Services		42,964	
Instructional Supplies and Materials		34,817	
Utilities		13,000	
Other Charges		9,536	
Total Community Services			421,924

Early Childhood Education

Contracts with Other Public Agencies	\$	1,266,847	
Total Early Childhood Education			1,266,847

(Continued)

Exhibit J-10

Bradley County, Tennessee
Schedule of Detailed Expenditures -
All Governmental Fund Types
Discretely Presented Bradley County School Department (Cont.)

General Purpose School Fund (Cont.)

Capital Outlay

Regular Capital Outlay

Building Construction	\$ 137,297	
Building Improvements	200,360	
Total Regular Capital Outlay		\$ 337,657

Total General Purpose School Fund

\$ 61,561,891

School Federal Projects Fund

Instruction

Regular Instruction Program

Teachers	\$ 544,204	
Educational Assistants	219,388	
Non-certified Substitute Teachers	15,260	
Social Security	46,740	
State Retirement	34,938	
Life Insurance	570	
Medical Insurance	63,702	
Employer Medicare	11,058	
Other Contracted Services	2,604	
Instructional Supplies and Materials	118,143	
Other Charges	16,966	
Regular Instruction Equipment	908,678	
Total Regular Instruction Program		\$ 1,982,251

Special Education Program

Teachers	\$ 1,301,734	
Educational Assistants	364,945	
Other Salaries and Wages	20	
Social Security	24,910	
State Retirement	48,884	
Life Insurance	1,020	
Medical Insurance	109,874	
Employer Medicare	6,420	
Maintenance and Repair Services - Equipment	487	
Other Contracted Services	243,417	
Instructional Supplies and Materials	223,992	
Other Supplies and Materials	179,397	
Special Education Equipment	459,407	
Total Special Education Program		2,964,507

(Continued)

Exhibit J-10

Bradley County, Tennessee
Schedule of Detailed Expenditures -
All Governmental Fund Types
Discretely Presented Bradley County School Department (Cont.)

School Federal Projects Fund (Cont.)

Instruction (Cont.)

Vocational Education Program

Other Supplies and Materials	\$	11,000	
Vocational Instruction Equipment		82,540	
Total Vocational Education Program			\$ 93,540

Support Services

Other Student Support

Evaluation and Testing	\$	1,061	
Travel		38,335	
Other Contracted Services		100	
Instructional Supplies and Materials		3,481	
In Service/Staff Development		3,263	
Other Charges		37,562	
Total Other Student Support			83,802

Regular Instruction Program

Supervisor/Director	\$	56,103	
Secretary(ies)		16,347	
Educational Assistants		12,325	
Other Salaries and Wages		399,393	
Social Security		24,526	
State Retirement		29,228	
Life Insurance		419	
Medical Insurance		53,874	
Employer Medicare		6,409	
Travel		19,234	
Other Supplies and Materials		1,389	
In Service/Staff Development		142,277	
Other Charges		114,988	
Other Equipment		36,544	
Total Regular Instruction Program			913,056

Special Education Program

Psychological Personnel	\$	161,378	
Secretary(ies)		89,219	
Other Salaries and Wages		412,597	
Social Security		35,585	
State Retirement		44,513	
Life Insurance		622	
Medical Insurance		71,112	

(Continued)

Exhibit J-10

Bradley County, Tennessee
Schedule of Detailed Expenditures -
All Governmental Fund Types
Discretely Presented Bradley County School Department (Cont.)

School Federal Projects Fund (Cont.)

Support Services (Cont.)

Special Education Program (Cont.)

Employer Medicare	\$	9,271	
Travel		76,737	
Other Supplies and Materials		2,375	
In Service/Staff Development		108,807	
Total Special Education Program			\$ 1,012,216

Transportation

Bus Drivers	\$	79,804	
Social Security		4,283	
State Retirement		1,115	
Employer Medicare		1,157	
Other Supplies and Materials		548	
Transportation Equipment		19,746	
Total Transportation			106,653

Total School Federal Projects Fund \$ 7,156,025

Central Cafeteria Fund

Operation of Non-Instructional Services

Food Service

Cafeteria Personnel	\$	1,744,812	
Social Security		106,049	
State Retirement		164,176	
Medical Insurance		323,131	
Unemployment Compensation		4,329	
Employer Medicare		24,826	
Communication		2,776	
Dues and Memberships		739	
Freight Expenses		509	
Maintenance and Repair Services - Equipment		47,820	
Pest Control		3,820	
Travel		4,259	
Permits		1,280	
Other Contracted Services		123,328	
Food Preparation Supplies		9,706	
Food Supplies		1,773,755	
Ice		33,771	
Uniforms		1,779	
Other Supplies and Materials		137,591	

(Continued)

Exhibit J-10

Bradley County, Tennessee
Schedule of Detailed Expenditures -
All Governmental Fund Types
Discretely Presented Bradley County School Department (Cont.)

Central Cafeteria Fund (Cont.)

Operation of Non-Instructional Services (Cont.)

Food Service (Cont.)

Refunds	\$	1,545	
Criminal Investigation of Applicants - TBI		1,728	
Refund to Applicant for Criminal Investigation		432	
Other Charges		8,824	
Food Service Equipment		121,573	
Total Food Service			<u>\$ 4,642,558</u>

Total Central Cafeteria Fund \$ 4,642,558

Education Capital Projects Fund

Capital Projects

Education Capital Projects

Architects	\$	176,166	
Engineering Services		65,106	
Other Contracted Services		3,707	
Other Supplies and Materials		153	
Other Charges		24,454	
Building Construction		8,282,796	
Other Equipment		31,473	
Other Capital Outlay		48,044	
Total Education Capital Projects			<u>\$ 8,631,899</u>

Total Education Capital Projects Fund 8,631,899

Total Governmental Funds - Bradley County School Department \$ 81,992,373

Exhibit J-11

Bradley County, Tennessee
Schedule of Detailed Receipts, Disbursements,
and Changes in Cash Balances - City Agency Funds
For the Year Ended June 30, 2010

	Cities - Sales Tax Fund	Cities - Sales Tax In Litigation Fund	Inside Urban Fringe Area Fire Tax Fund	City School ADA - Build America Bonds Fund	Total
<u>Cash Receipts</u>					
Current Property Taxes	\$ 0	\$ 0	\$ 1,654,322	\$ 5,116,283	\$ 6,770,605
Trustee's Collections - Prior Years	0	0	65,127	215,055	280,182
Circuit/Clerk and Master Collections - Prior Years	0	0	162,213	115,313	277,526
Interest and Penalty	0	0	9,535	32,216	41,751
Payments in-Lieu-of Taxes - Local Utilities	0	0	0	1,502	1,502
Payments in-Lieu-of Taxes - Other	0	0	0	23,621	23,621
Local Option Sales Taxes	8,856,484	376,017	0	4,174,994	13,407,495
Bank Excise Taxes	0	0	0	41,230	41,230
Interstate Telecommunications Taxes	0	0	0	2,432	2,432
Marriage Licenses	0	0	0	2,529	2,529
Investment Income	0	734	0	0	734
Contributions and Gifts	0	0	0	0	5,555,867
Other Local Revenue	0	0	0	366	366
Income Taxes	0	0	0	45,851	45,851
Total Cash Receipts	\$ 8,856,484	\$ 376,751	\$ 1,891,197	\$ 9,771,392	\$ 26,451,691
<u>Cash Disbursements</u>					
Remittance of Revenues Collected	\$ 8,862,873	0	\$ 1,822,050	\$ 9,642,317	\$ 21,557,440
Trustee's Commission	1,004	0	37,706	109,958	148,668
Total Cash Disbursements	\$ 8,863,877	\$ 0	\$ 1,859,756	\$ 9,752,275	\$ 21,706,108
Excess of Cash Receipts Over (Under)	\$ (7,393)	\$ 376,751	\$ 31,441	\$ 19,117	\$ 4,745,583
Cash Disbursements	0	0	16,506	0	16,506
Cash Balance, July 1, 2009	\$ (7,393)	\$ 376,751	\$ 47,947	\$ 19,117	\$ 4,325,667
Cash Balance/(Cash Overdraft), June 30, 2010					\$ 4,762,089

STATISTICAL SECTION

This part of the Bradley County's comprehensive annual report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the government's overall financial health.

	Tables	Pages
Financial Trends:		
These schedules contain trend information to help the reader understand how the government's financial performance and well-being have changed over time.	1-5	220-227
Revenue Capacity:		
These schedules contain information to help the reader assess the government's most significant local revenue source, the property tax.	6-9	228-231
Debt Capacity:		
These schedules present information to help the reader assess the affordability of the government's current levels of outstanding debt and the government's ability to issue additional debt in the future. The tables on legal debt margin information and pledged-revenue coverage are not applicable to counties in Tennessee.	10-14	232-236
Demographic and Economic Information:		
These schedules offer demographic and economic indicators to help the reader understand the environment within which the government's financial activities take place.	15-16	237-238
Operating Information:		
These schedules contain service and infrastructure data to help the reader understand how the information in the government's financial report relates to the services the government provides and the activities it performs.	17-19	239-241

Sources: Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial reports for the relevant year.

Table 1

Bradley County, Tennessee
Net Assets by Component
 Primary Government and Discretely Presented Component Unit
 Last Ten Fiscal Years (Note 1)
 (accrual basis of accounting)

	Fiscal Year									
	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
PRIMARY GOVERNMENT: (Note 2)										
Governmental Activities										
Invested in Capital Assets, Net of Related Debt	\$ -	\$ -	\$ (42,183,824)	\$ 9,475,827	\$ 13,575,147	\$ 18,717,481	\$ 31,858,961	\$ 33,218,992	\$ 33,908,244	\$ 35,563,376
Restricted	-	-	39,973,104	41,614,984	42,970,084	34,951,549	39,753,370	42,966,130	47,257,104	47,311,720
Unrestricted	-	-	10,891,277	(41,727,595)	(40,725,118)	(42,581,355)	(43,983,997)	(43,735,761)	(45,419,197)	(61,843,774)
Total Governmental Activities Net Assets	\$ -	\$ -	\$ 8,680,557	\$ 9,363,216	\$ 15,820,113	\$ 11,087,675	\$ 27,628,334	\$ 32,449,361	\$ 35,746,151	\$ 21,031,322

COMPONENT UNIT - Bradley County Schools (Notes 3,4)

Governmental Activities										
Invested in Capital Assets, Net of Related Debt	\$ -	\$ -	\$ 44,963,624	\$ 47,542,470	\$ 48,899,874	\$ 50,590,530	\$ 54,255,402	\$ 59,362,230	\$ 57,653,540	\$ 64,367,319
Restricted	-	-	1,670,614	2,105,867	1,947,027	5,099,663	8,705,026	2,011,620	2,562,295	5,330,628
Unrestricted	-	-	4,396,465	4,348,355	4,850,978	6,184,512	3,672,066	4,018,520	3,019,084	4,663,822
Total Governmental Activities Net Assets	\$ -	\$ -	\$ 51,030,703	\$ 53,996,692	\$ 55,697,879	\$ 61,874,705	\$ 66,632,494	\$ 65,392,370	\$ 63,234,919	\$ 74,361,769

Notes:

- (1) GASB Statement No. 34 was implemented for the fiscal year ended June 30, 2003; therefore, the presented information is unavailable for periods before 2003.
- (2) Bradley County Government does not engage in any business-type activities.
- (3) Bradley County Board of Education is not part of the Primary Government, but is reflected as a component unit. The primary government is responsible for the debt issued to finance construction/improvement of education facilities; however, the physical structures are considered assets of the component unit.
- (4) Does not include discretely presented Bradley Healthcare and Rehabilitation Center component unit.

Table 2

Bradley County, Tennessee
Changes in Net Assets
Last Ten Fiscal Years (Note 2)
(accrual basis of accounting)

	Fiscal Year									
	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
EXPENSES (Note 1)										
Governmental Activities:										
General Government	\$ -	\$ -	\$ 2,199,215	\$ 2,326,274	\$ 2,508,007	\$ 2,643,474	\$ 3,109,772	\$ 2,817,277	\$ 2,965,034	\$ 2,669,472
Finance	-	-	1,719,385	1,822,956	2,076,420	2,105,013	2,438,416	2,553,721	2,694,642	2,649,529
Administration of Justice	-	-	1,954,308	2,113,955	2,484,384	2,484,104	2,544,591	3,006,547	3,263,202	3,363,566
Public Safety	-	-	8,672,534	11,403,020	13,838,185	16,179,741	17,148,071	18,391,569	19,093,684	19,113,784
Public Health and Welfare	-	-	3,670,897	4,127,341	4,388,121	5,071,634	5,670,024	6,323,493	7,343,966	9,364,256
Social, Cultural, and Recreational Services	-	-	1,269,906	1,268,703	1,310,346	1,428,944	1,725,312	1,932,805	1,879,865	1,940,553
Agriculture and Natural Resources	-	-	273,696	332,175	391,320	412,796	441,046	442,092	547,161	527,160
Other Operations	-	-	1,620,484	3,090,443	1,432,033	1,599,541	3,314,102	2,241,926	1,580,426	-
Highways/Public Works	-	-	3,818,551	3,568,583	3,492,535	3,761,715	3,853,649	3,951,114	4,474,498	4,570,149
Education (Payments to Component Unit)	-	-	344,153	4,000,000	1,411,489	11,346,511	-	-	-	17,734,346
Interest on Long-term Debt	-	-	2,928,254	2,754,922	2,895,248	3,494,212	3,008,201	3,251,113	2,274,490	2,580,564
Other Debt Service	-	-	3,129	159,926	183,324	174,032	6,062,980	559,551	82,624	-
Total Governmental Activities Expenses	\$ -	\$ -	\$ 28,474,512	\$ 36,968,298	\$ 36,411,412	\$ 50,701,717	\$ 49,316,164	\$ 45,471,208	\$ 46,199,594	\$ 64,513,379
PROGRAM REVENUES										
Governmental activities:										
Charges for Services:										
General Government	\$ -	\$ -	\$ 1,074,572	\$ 1,115,827	\$ 1,104,050	\$ 1,288,925	\$ 1,519,838	\$ 1,263,625	\$ 1,269,440	\$ 1,148,994
Finance	-	-	1,805,508	1,968,160	1,989,391	1,893,208	1,898,211	1,917,636	1,892,561	1,863,399
Administration of Justice	-	-	1,995,752	3,563,622	2,466,699	2,762,591	3,961,169	3,338,330	3,238,156	3,209,615
Public Safety	-	-	687,703	525,568	2,351,215	1,318,278	2,868,159	3,289,619	3,331,211	2,957,830
Public Health and Welfare	-	-	2,923,178	2,748,781	3,035,866	3,433,555	3,617,068	3,809,439	4,294,395	4,391,421
Social, Cultural, and Recreational Services	-	-	-	-	-	2,913	154,874	144,459	143,499	256,213
Other Operations	-	-	-	-	-	-	11,614	18,337	16,512	-
Highways/Public Works	-	-	-	-	-	-	16,299	2,236	40,662	15,375
Operating Grants and Contributions	-	-	3,522,586	3,714,851	5,222,274	7,548,175	6,382,194	6,288,479	5,112,467	4,499,218
Capital Grants and Contributions	-	-	2,812,620	1,283,377	2,526,651	1,747,863	2,766,433	1,128,994	1,514,697	1,094,037
Total Governmental Activities Program Revenues	\$ -	\$ -	\$ 14,221,919	\$ 14,920,186	\$ 18,696,146	\$ 19,995,508	\$ 23,195,859	\$ 21,201,154	\$ 20,853,600	\$ 19,436,102

(Continued)

Table 2

Bradley County, Tennessee
Changes in Net Assets (Cont.)
Last Ten Fiscal Years. (Note 2)
(accrual basis of accounting)

	Fiscal Year									
	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
Net (Expense)/Revenue Governmental Activities	\$ -	\$ -	\$ (14,252,593)	\$ (22,048,112)	\$ (17,715,266)	\$ (30,706,209)	\$ (26,120,305)	\$ (24,270,054)	\$ (25,345,994)	\$ (45,077,277)
General Revenues and Other Changes in Net Assets										
Governmental Activities:										
Taxes										
Property Tax Levied for General Purposes	\$ -	\$ -	\$ 10,356,774	\$ 10,374,534	\$ 10,837,104	\$ 11,536,253	\$ 13,820,122	\$ 15,304,176	\$ 15,484,098	\$ 16,081,162
Property Tax Levied for Debt Services	-	-	5,754,591	5,930,474	6,171,066	6,463,692	4,700,428	4,784,882	4,860,844	4,739,818
Sales Tax	-	-	3,028,941	3,276,430	3,470,426	3,616,343	3,671,047	3,680,185	3,607,649	3,791,246
Other Local Taxes	-	-	1,960,856	2,017,125	2,216,994	2,205,635	2,398,407	2,531,841	2,363,217	2,279,640
Unrestricted Grants and Contributions	-	-	984,293	716,556	480,296	894,447	868,050	909,566	1,034,691	987,536
Investment Earnings	-	-	431,722	308,312	770,396	1,196,114	2,082,608	1,583,986	1,007,863	705,170
Proceeds from Hospital Sale	-	-	-	-	-	-	15,000,000	-	-	-
Miscellaneous	-	-	307,085	117,340	265,881	161,287	120,302	296,445	284,422	232,934
Total Governmental Activities	\$ -	\$ -	\$ 22,824,262	\$ 22,740,771	\$ 24,212,163	\$ 25,973,771	\$ 42,660,964	\$ 29,091,081	\$ 28,642,784	\$ 28,817,506
Change in Net Assets	\$ -	\$ -	\$ 8,571,669	\$ 692,659	\$ 6,496,897	\$ (4,732,438)	\$ 16,540,659	\$ 4,821,027	\$ 3,296,790	\$ (16,259,771)

Notes:
(1) Bradley County Government does not engage in any business-type activities.
(2) GASB Statement No. 34 was implemented for the fiscal year ended June 30, 2003; therefore, the presented information is unavailable for periods before 2003.

Table 2a

Bradley County, Tennessee
Changes in Net Assets - Bradley County Schools
Last Ten Fiscal Years (Note 2)
 (accrual basis of accounting)

	Fiscal Year									
	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
EXPENSES (Note 1)										
Governmental Activities:										
Education	\$ -	\$ -	\$ 48,901,420	\$ 50,994,891	\$ 54,334,013	\$ 59,455,694	\$ 65,467,868	\$ 71,762,003	\$ 73,773,002	\$ 76,389,171
Total Governmental Activities Expenses	\$ -	\$ -	\$ 48,901,420	\$ 50,994,891	\$ 54,334,013	\$ 59,455,694	\$ 65,467,868	\$ 71,762,003	\$ 73,773,002	\$ 76,389,171
PROGRAM REVENUES										
Governmental Activities:										
Changes for Services - Education	\$ -	\$ -	\$ 1,686,576	\$ 1,819,737	\$ 1,936,298	\$ 9,337,575	\$ 2,190,518	\$ 2,165,892	\$ 2,193,408	\$ 2,058,534
Operating Grants and Contributions	-	-	6,038,159	5,657,588	6,512,203	1,789,366	9,055,821	10,028,336	10,608,929	11,014,788
Capital Grants and Contributions	-	-	141,892	4,058,059	1,411,489	4,408,270	5,945,318	400,000	9,200	11,897,449
Total Governmental Activities Program Revenues	\$ -	\$ -	\$ 7,866,627	\$ 11,535,384	\$ 9,859,990	\$ 15,535,211	\$ 17,191,657	\$ 12,594,228	\$ 12,811,537	\$ 24,970,771
Net (Expense)/Revenue Governmental Activities	\$ -	\$ -	\$ (41,034,793)	\$ (39,459,507)	\$ (44,474,023)	\$ (43,920,483)	\$ (48,276,211)	\$ (59,167,775)	\$ (60,961,465)	\$ (51,418,400)
General Revenues and Other Changes in Net Assets										
Governmental Activities:										
Taxes										
Property Tax Levied for General Purposes	\$ -	\$ -	\$ 9,494,483	\$ 9,757,162	\$ 9,937,003	\$ 10,690,877	\$ 10,995,203	\$ 11,169,146	\$ 11,451,060	\$ 11,555,769
Sales Tax	-	-	6,378,550	6,960,299	7,194,986	7,815,657	7,948,465	8,025,284	7,695,742	9,115,681
Other Local Taxes	-	-	16,434	70,647	8,862	10,698	10,783	7,399	7,196	5,141
Unrestricted Grants and Contributions	-	-	24,271,342	25,411,252	28,466,791	31,042,436	33,631,203	38,492,083	39,497,842	41,798,378
Investment Earnings	-	-	181,478	140,437	414,341	444,794	438,669	207,630	80,902	21,309
Sale of Land/Equipment	-	-	-	-	-	2,671	-	-	-	-
Miscellaneous	-	-	248,532	85,699	153,224	90,180	9,677	26,109	71,272	48,972
Total Governmental Activities	\$ -	\$ -	\$ 40,590,819	\$ 42,425,496	\$ 46,175,207	\$ 50,097,313	\$ 53,034,000	\$ 57,927,651	\$ 58,804,014	\$ 62,545,250
Change in Net Assets	\$ -	\$ -	\$ (443,974)	\$ 2,965,989	\$ 1,701,184	\$ 6,176,830	\$ 4,757,789	\$ (1,240,124)	\$ (2,157,451)	\$ 11,126,850

Notes:

- (1) Bradley County Schools do not engage in any business-type activities.
- (2) GASB Statement No. 34 was implemented for the fiscal year ended June 30, 2003; therefore, the presented information is unavailable for periods before 2003.

Table 3

Bradley County, Tennessee
Governmental Activities Tax Revenue by Source
General Government and Discretely Presented Component Unit
Last Ten Fiscal Years (1)
(accrual basis of accounting)

Fiscal Year	Property Tax for General Purposes	Property Tax for Bradley Co. Schools	Property Tax for Debt Service	Sales Tax -		Sales Tax - Bradley Co. Schools	Other Local Tax -		Total
				Primary Government	Primary Schools		Primary Govt.	Bradley Co. Schools	
2001	-	-	-	-	-	-	-	-	-
2002	-	-	-	-	-	-	-	-	-
2003	\$ 10,356,774	\$ 9,494,483	\$ 5,754,591	\$ 3,028,941	\$ 6,378,550	\$ 1,960,856	\$ 16,434	\$ 36,990,629	
2004	10,374,534	9,757,162	5,930,474	3,276,430	6,960,299	2,017,125	70,647	38,386,671	
2005	10,837,104	9,937,003	6,171,066	3,470,426	7,194,986	2,216,994	8,862	39,836,441	
2006	11,536,253	10,690,877	6,463,692	3,516,343	7,815,657	2,205,635	10,698	42,239,155	
2007	13,820,122	10,995,203	4,700,428	3,671,047	7,948,465	2,398,407	10,783	43,544,455	
2008	15,304,176	11,169,146	4,784,882	3,680,185	8,025,284	2,531,841	7,399	45,502,913	
2009	15,484,098	11,451,060	4,860,844	3,607,649	7,695,742	2,363,217	7,196	45,469,806	
2010	16,081,162	11,555,769	4,739,818	3,791,246	9,115,681	2,279,640	5,141	47,568,457	

(1) GASB Statement No. 34 was implemented for the fiscal year ended June 30, 2003; therefore, the presented information is unavailable for periods before 2003.

Table 4

Bradley County, Tennessee
 General Government Fund Balances - Primary Government and Discretely Presented Component Unit
 Last Ten Fiscal Years
 (modified accrual basis of accounting)

	Fiscal Year									
	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
PRIMARY GOVERNMENT										
General Fund										
Reserved	\$ 241,241	\$ 217,245	\$ 527,261	\$ 871,562	\$ 1,432,595	\$ 1,319,054	\$ 1,638,349	\$ 2,014,095	\$ 2,210,967	\$ 2,571,493
Unreserved	3,649,850	4,019,608	5,301,308	5,128,454	5,525,501	5,812,612	6,481,745	5,506,673	3,251,967	1,090,398
Total General Fund	\$ 3,891,091	\$ 4,236,853	\$ 5,828,569	\$ 6,000,016	\$ 6,958,096	\$ 7,131,666	\$ 8,120,094	\$ 7,520,768	\$ 5,462,934	\$ 3,661,891
All Other Governmental Funds										
Reserved	\$ 423,993	\$ 10,971,570	\$ 16,892,679	\$ 15,960,394	\$ 11,931,266	\$ 9,788,944	\$ 15,285,240	\$ 19,043,509	\$ 16,362,968	\$ 16,902,676
Unreserved, Reported in:										
Special Revenue Funds	3,985,271	3,285,407	3,694,780	3,447,443	4,089,594	3,785,800	4,978,832	2,153,228	6,361,629	5,509,162
Debt Service	18,979,375	22,284,829	25,037,444	27,489,479	30,236,743	23,378,643	15,863,135	15,491,369	16,250,237	16,403,302
Capital Projects Funds	504,894	(11,215,567)	(1,922,250)	(1,245,961)	57,776	647,544	2,019,770	3,844,417	5,252,317	5,800,499
Permanent Funds	-	-	-	-	-	-	180,534	902,262	1,050,585	552,556
Total All Other Governmental Funds	\$ 23,893,533	\$ 25,326,239	\$ 43,702,653	\$ 45,651,355	\$ 46,315,379	\$ 37,600,931	\$ 38,327,511	\$ 41,434,785	\$ 45,277,736	\$ 45,168,195
COMPONENT UNIT - Bradley County Schools										
General Purpose School Fund										
Reserved	\$ 2,560,482	\$ 300,680	\$ 74,174	\$ 236,048	\$ 491,047	\$ 381,419	\$ 2,366,822	\$ 1,002,944	\$ 1,090,447	\$ 3,328,069
Unreserved	1,176,838	3,323,309	3,464,636	3,560,605	4,104,647	5,298,683	2,933,392	3,777,927	3,892,469	2,884,497
Total General Purpose School Fund	\$ 3,737,320	\$ 3,623,989	\$ 3,538,810	\$ 3,796,653	\$ 4,595,694	\$ 5,680,102	\$ 5,300,214	\$ 4,780,871	\$ 4,982,916	\$ 6,212,566
All Other School Funds										
Reserved	\$ 428,406	\$ 505,385	\$ 747,657	\$ 1,756,224	\$ 617,026	\$ 3,421,028	\$ 399,481	\$ 264,450	\$ 193,276	\$ 3,356,743
Unreserved, Reported in:										
Special Revenue Funds	-	-	654,683	655,781	726,961	820,498	1,024,770	884,550	1,278,572	1,525,227
Capital Projects Funds	-	-	194,100	(542,186)	111,993	476,718	5,596,972	47,190	(141,068)	404,372
Total All Other Governmental Funds	\$ 428,406	\$ 505,385	\$ 1,596,440	\$ 1,869,819	\$ 1,455,980	\$ 4,718,244	\$ 7,021,223	\$ 1,196,190	\$ 1,330,780	\$ 5,286,342

Table 5

Bradley County, Tennessee
 Changes in Fund Balances General Governmental and Discretely Presented Component Unit
 Last Ten Fiscal Years

	Fiscal Year									
	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
Revenues										
Taxes	\$ 34,731,121	\$ 36,010,247	\$ 37,398,729	\$ 38,549,381	\$ 40,124,087	\$ 42,288,329	\$ 43,952,491	\$ 45,396,522	\$ 45,746,185	\$ 47,922,945
Licenses and Permits	273,383	357,549	349,992	492,751	274,184	446,892	420,076	375,282	370,507	289,502
Fines and Forfeitures	421,752	433,250	684,843	1,923,364	850,300	1,708,360	1,708,360	899,921	959,523	698,858
Charges for Service	4,557,004	5,274,325	5,801,881	6,669,710	4,162,521	7,228,248	7,917,495	8,309,819	8,668,053	8,525,735
Other Local Revenue	4,901,523	4,421,545	2,200,042	1,942,191	4,966,528	3,231,818	4,480,890	3,834,682	2,731,501	1,787,429
Fees from Co. Officials	1,190,255	1,689,308	1,686,576	1,819,737	2,356,183	2,638,050	2,802,077	2,663,595	2,372,484	2,371,732
State Revenues	27,602,532	27,891,688	29,342,005	30,885,536	33,831,809	36,477,847	40,220,513	46,631,671	47,496,661	47,214,998
Federal Revenues	4,513,579	4,713,483	7,729,067	5,134,084	7,519,916	8,588,643	9,752,341	9,450,761	10,499,822	12,398,840
Other Govt/Citizens	83,633	59,690	203,246	4,125,778	3,343,277	8,048,630	7,739,516	2,265,503	1,845,536	13,932,987
Total Revenues	\$ 78,274,782	\$ 80,851,085	\$ 85,396,381	\$ 91,542,532	\$ 97,428,805	\$ 109,929,960	\$ 118,993,759	\$ 119,827,756	\$ 120,670,272	\$ 135,143,026
Expenditures										
General Government	\$ 16,568,593	\$ 17,949,421	\$ 1,901,747	\$ 1,906,354	\$ 2,157,169	\$ 2,324,856	\$ 2,672,688	\$ 2,641,085	\$ 2,798,129	\$ 2,428,206
Finance	-	-	915,926	951,626	1,133,907	1,110,913	1,244,702	2,496,405	2,656,901	2,603,230
Admin. of Justice	-	-	1,666,688	1,921,028	2,184,430	2,303,979	2,436,540	2,950,648	3,159,898	3,304,085
Public Safety	-	-	8,660,884	10,400,622	12,937,106	13,850,301	14,432,014	17,022,376	18,539,695	19,219,974
Public Health/Welfare	-	-	3,576,501	3,960,429	4,391,716	4,976,180	5,405,862	6,098,452	6,512,537	6,361,336
Social, Cultural/Rec.	-	-	706,305	664,082	688,662	726,262	971,630	1,788,106	1,756,229	1,788,784
Agriculture and Natural Resource	-	-	271,944	345,364	388,227	411,087	438,400	431,756	530,839	519,283
Other Operations	-	-	1,281,011	1,179,183	731,473	1,327,793	904,690	2,199,133	1,565,101	2,590,590
Special Revenues	4,124,815	3,008,886	2,587,554	4,187,344	3,916,478	3,899,970	4,216,420	-	-	-
Highways and Bridges	4,666,172	4,403,118	4,568,442	4,578,910	4,842,271	4,947,495	4,272,383	4,545,887	4,267,183	5,089,706
Education	43,869,636	45,448,792	48,520,790	50,110,321	53,660,469	58,200,686	65,052,012	70,646,423	70,854,287	73,360,474
Debt Service	-	-	-	-	-	-	-	-	-	-
Principal	2,750,000	2,570,000	2,705,000	2,905,000	2,980,000	13,275,000	2,455,000	2,209,049	2,344,049	2,424,049
Interest	2,434,283	2,838,148	2,894,084	2,745,975	2,937,025	3,425,476	3,111,707	3,289,519	2,449,760	2,444,072
Other charges/operations	162,995	208,418	119,937	280,454	446,585	302,141	849,736	553,259	699,144	453,094
Endowment	-	-	-	-	-	-	923,104	-	198,460	232,428
Capital Projects-General	877,408	3,356,965	8,707,116	7,085,812	3,086,881	12,532,566	982,833	1,179,342	828,613	18,436,805
Cap Assets Pur/Depr. Exp - Primary	-	-	-	-	-	-	-	-	(191,374)	1,461,421
Miscellaneous transactions involving capital assets - Primary	-	-	-	-	-	-	-	-	(47,333)	(93,530)
Capital Projects-Schools	16,566,119	5,418,021	380,630	3,456,345	2,038,514	2,674,190	3,884,236	5,952,703	188,258	8,631,899
Cap Assets Pur/Depr. Exp-Schools	\$ 92,020,021	\$ 85,201,769	\$ 89,464,559	\$ 96,678,849	\$ 98,520,913	\$ 126,288,895	\$ 121,901,582	\$ 123,944,143	\$ 117,283,445	\$ 157,848,643
Excess of Revenues over (under) Expenditures	\$ (13,745,239)	\$ (4,350,684)	\$ (4,068,178)	\$ (5,136,317)	\$ (1,092,108)	\$ (16,358,935)	\$ (2,907,823)	\$ (4,116,387)	\$ 3,386,827	\$ (22,705,617)

(Continued)

Table 5

Bradley County, Tennessee
Changes in Fund Balances General Governmental and Discretely Presented Component Unit
Last Ten Fiscal Years (Cont.)

	Fiscal Year									
	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
Other Financing Sources (Uses)										
Transfers in	\$ 2,104,923	\$ 2,405,607	\$ 2,575,539	\$ 210,353	\$ 433,710	\$ 627,644	\$ 510,416	\$ 308,693	\$ 302,483	\$ 942,147
Transfers out	(2,104,923)	(2,405,607)	(2,575,539)	(210,353)	(433,710)	(627,644)	(510,416)	(308,693)	(302,483)	(942,147)
Bond Proceeds	-	-	-	-	-	-	-	-	-	17,550,000
Note Proceeds	18,816,870	6,092,800	8,300,734	7,542,000	2,923,755	12,146,511	500,000	-	-	240,000
Proceeds on Refunded Bonds	-	-	-	-	-	-	-	-	66,820,000	-
Payments on Refunded Bond Escrow	-	-	-	-	-	-	-	-	(66,275,000)	-
Premiums on Debt Issued	-	-	-	-	-	-	(9,705,000)	-	103,984	21,601
Proceeds Capitalized Lease	-	-	231,121	244,860	215,659	18,219	750,922	233,252	151,579	193,736
Insurance Recovery	-	-	-	-	-	-	-	41,057	-	14,880
Proceeds on Sale of Hospital	-	-	-	-	-	-	15,000,000	-	-	-
Proceeds on Sale of Land	-	-	-	-	-	-	-	5,650	-	-
TOTAL OTHER SOURCES	\$ 18,816,870	\$ 6,092,800	\$ 8,531,855	\$ 7,786,860	\$ 3,139,414	\$ 12,164,730	\$ 6,545,922	\$ 279,959	\$ 800,563	\$ 18,020,217
Net Change in Fund Balances	\$ 5,071,631	\$ 1,742,116	\$ 4,463,677	\$ 2,650,543	\$ 2,047,306	\$ (4,194,205)	\$ 3,638,099	\$ (3,836,428)	\$ 4,187,390	\$ (4,685,400)
Debt Service as a Percentage of Noncapital Expenditures	7.2%	7.3%	7.1%	6.9%	6.8%	15.3%	12.0%	5.2%	4.8%	3.8%

General Governmental and Discretely Presented Component Unit Tax Revenues by Source
Last Ten Fiscal Years

Fiscal Year	Property Tax	Sales Tax	Hotel Tax	Litigation Tax	Business Tax	Other Local Tax	Bank Excise Tax	Wholesale Beer	Interstate Telecom	Total Tax Revenue
2001	\$ 23,599,144	\$ 9,256,686	\$ 351,039	\$ 472,874	\$ 704,837	\$ 19,598	\$ 125,371	\$ 201,572	\$ -	\$ 34,731,121
2002	24,727,554	9,177,251	419,377	556,462	733,968	3	167,370	206,304	7,203	35,995,492
2003	25,855,277	9,496,305	421,279	506,735	688,078	2,061	173,299	232,308	23,387	37,398,729
2004	26,265,305	10,155,593	471,160	474,242	746,486	-	151,586	265,667	19,342	38,549,381
2005	27,176,962	10,659,086	550,519	441,951	848,165	498	165,338	263,886	17,682	40,124,087
2006	28,586,707	11,245,000	597,302	475,737	852,262	495	240,264	271,405	19,157	42,288,329
2007	29,708,133	11,591,512	616,369	566,666	893,300	-	261,124	296,363	19,024	43,952,491
2008	30,910,991	11,626,969	651,328	619,392	952,355	-	315,712	306,527	13,248	45,396,522
2009	31,742,278	11,427,206	573,095	529,261	945,678	-	207,492	307,622	13,553	45,746,185
2010	32,658,281	12,746,012	566,769	509,877	901,288	-	231,498	300,090	9,130	47,922,945

Includes recurring expenditures of the general, special revenue, capital projects and debt service fund types.

Table 6

Bradley County, Tennessee
Assessed and Estimated Actual Value of Property
Last Ten Fiscal Years

Fiscal Year Ending June 30	Tax Year	Tax Rate	Real Property		Personal Property		Public Utilities		Total		Ratio of Total Assessed Value To Total Estimated Actual Value
			Estimated	Assessed	Estimated	Assessed	Estimated	Assessed	Estimated	Assessed	
2001	2000	\$ 2.43	\$ 3,467,925,000	\$ 987,402,505	\$ 313,117,892	\$ 106,369,703	\$ 144,942,292	\$ 72,471,146	\$ 3,925,985,184	\$ 1,166,243,354	29.71
2002	2001	2.37	4,004,121,900	1,132,834,080	395,138,236	118,541,569	159,655,984	79,827,992	4,558,916,120	1,331,203,641	29.20
2003	2002	2.18	4,117,433,300	1,167,628,385	599,464,775	179,839,539	157,525,324	78,762,662	4,874,423,399	1,426,230,586	29.26
2004	2003	2.18	4,218,292,800	1,197,359,520	591,189,504	154,367,603	157,525,324	78,762,662	4,967,007,628	1,430,489,785	28.80
2005	2004	2.02	4,813,051,600	1,367,157,130	643,760,090	193,128,027	110,030,664	55,015,332	5,566,842,354	1,615,300,489	29.02
2006	2005	2.02	5,020,566,900	1,429,562,610	648,911,057	194,673,307	121,093,308	60,546,654	5,790,571,265	1,684,782,571	29.10
2007	2006	2.02	5,669,477,400	1,429,569,410	648,910,500	194,673,317	121,573,948	60,786,974	6,439,961,848	1,685,029,701	26.17
2008	2007	2.02	5,239,053,700	1,496,126,215	701,160,400	194,673,317	104,067,588	52,033,794	6,044,281,688	1,742,833,326	28.83
2009	2008	2.02	5,333,059,000	1,519,689,940	701,160,400	184,852,571	99,164,485	54,540,522	6,133,383,885	1,759,083,033	28.68
2010	2009	1.79	6,183,241,600	1,760,820,220	709,176,752	212,753,182	108,653,195	59,759,257	7,001,071,547	2,033,332,659	29.04

Source: Bradley County Assessor of Property

Note: Exempt properties are not included in the assessed or estimated value because the property assessor does not currently place values on these.

Table 7

Bradley County, Tennessee
 Property Tax Rates (Per \$100 assessed value)
 Direct and Overlapping Governments
 Last Ten Fiscal Years

Fiscal Year Ending June 30	Tax Year	Bradley Co Gen Fund	Bradley Co Public Library	Bradley Co Pike Road	Bradley Co County Schools	Cleveland City Schools	Bradley Co Debt Service	Bradley Co Capital Projects	Bradley Co Edu Cap Projects	Bradley Co Community Development	Total Bradley County Direct Rate	Bradley Co Fire O/S Fringe	Bradley Co Fire I/S Fringe	City of Cleveland	City of Charleston
2001	2000	\$ 0.4494	\$ 0.0248	\$ 0.1522	\$ 0.6399	\$ 0.3153	\$ 0.5984	\$ -	\$ -	\$ -	\$ 2.18	\$ 0.31	\$ 0.51	\$ 1.56	\$ 0.52
2002	2001	0.5694	0.0315	0.1522	0.7694	0.3791	0.5284	-	-	-	2.43	0.31	0.51	1.65	0.47
2003	2002	0.5608	0.0283	0.1366	0.6918	0.3385	0.4240	-	-	-	2.18	0.19	0.51	1.65	0.57
2004	2003	0.5544	0.0283	0.1430	0.6972	0.3331	0.4240	-	-	-	2.18	0.13	0.51	1.65	0.57
2005	2004	0.5544	0.0283	0.1430	0.6989	0.3277	0.4277	-	-	-	2.18	0.13	0.51	1.65	0.48
2006	2005	0.5137	0.0262	0.1325	0.6411	0.3101	0.3929	-	-	-	2.02	0.12	0.46	1.65	0.48
2007	2006	0.5147	0.0312	0.1427	0.6529	0.2999	0.2786	0.1000	-	-	2.02	0.12	0.46	1.65	0.48
2008	2007	0.5147	0.0312	0.1427	0.6495	0.3014	0.2786	0.1000	0.0019	-	2.02	0.39	0.46	1.65	0.48
2009	2008	0.5147	0.0312	0.1427	0.6503	0.3006	0.2786	0.1000	0.0019	-	2.02	0.39	0.46	1.65	0.48
2010	2009	0.4570	0.0277	0.1263	0.5740	0.2695	0.2355	-	0.0017	0.1003	1.79	0.34	0.41	1.49	0.42

Source: Bradley County Assessor of Property

Table 8

Bradley County, Tennessee
Principal Taxpayers
For the Fiscal Year Ended June 30, 2010

Taxpayer	Type of Business	2009			2003 (1)			Percentage of Total Taxes Levied	
		Rank	Assessed Valuation	Tax Liability	Rank	Assessed Valuation	Tax Liability		
Life Care Centers	Nursing Homes	1	\$ 48,257,834	\$ 864,780		\$ -	-	0.00%	
Community Health Systems	Hospitals	2	35,901,945	643,363		-	-	0.00%	
Mars-Inc.	Candies, Cookies	3	31,685,276	567,979	3	22,629,565	493,325	1.67%	
Maytag/Whirlpool	Appliance Manufacturer	4	29,859,357	477,532	1	29,233,725	637,295	2.16%	
Olin Mathieson	Chemical Company	5	20,752,960	371,893	5	16,445,112	358,503	1.21%	
Duracell/Gillette	Battery Manufacturer	6	20,164,728	361,352	2	25,900,565	564,632	1.91%	
Bellsouth Telecom	Phones	7	15,633,947	280,160	6	15,898,052	346,578	1.17%	
Volunteer Energy Corp	Utility	8	15,234,026	272,994	8	10,918,942	238,033	0.81%	
Schering-Plough	Foot Products	9	14,511,541	260,047	7	12,942,857	282,154	0.96%	
Arch Chemicals	Chemical Company	10	13,778,822	246,916	4	16,695,447	363,961	1.23%	
							<u>12.22%</u>		<u>11.13%</u>

Source: Bradley County Property Assessor

(1) Due to the implementation of GASB Statement No. 34 in fiscal year 2003, the oldest year available is 2003.

Table 9
Bradley County, Tennessee
Property Tax Levies and Collections-By Tax Year
Last Ten Fiscal Years
As of June 30, 2010

Tax Year	Total Tax Levy	Fiscal Year Tax Collections	Percent of Fiscal Year Collected	Delinquent Tax Collections	Total Tax Collections	Ratio of Total Tax Collections to Tax Levy	Outstanding Delinquent Taxes	Ratio of Delinquent Taxes to Total Tax Levy
2000	\$ 27,898,976	\$ 21,618,046	77.49%	\$ 6,278,383	\$ 27,896,429	99.99%	\$ 2,547	0.01%
2001	27,264,450	22,200,622	81.43%	5,061,747	27,262,369	99.99%	2,081	0.01%
2002	28,959,013	23,303,297	80.47%	5,618,433	28,921,730	99.87%	37,283	0.13%
2003	29,507,508	24,011,528	81.37%	5,483,855	29,495,383	99.96%	12,125	0.04%
2004	31,643,573	25,315,685	80.00%	6,284,776	31,600,461	99.86%	43,112	0.14%
2005	32,809,566	27,035,428	82.40%	5,750,208	32,785,636	99.93%	23,930	0.07%
2006	36,164,240	29,515,753	81.62%	5,839,655	35,355,408	97.76%	107,806	0.30%
2007	37,911,893	32,852,346	86.65%	4,351,353	37,203,699	98.13%	270,853	0.71%
2008	38,914,534	36,393,488	93.52%	1,708,881	38,102,369	97.91%	629,275	1.62%
2009	38,969,734	30,591,121	78.50%	(1)	30,591,120	78.50%	(1)	0.00%

Sources: Trustee tax collection records and tax rolls, clerk and master tax collection records.

(1) Taxes are current until April 1st of the following year.

Table 10

Bradley County, Tennessee
Ratio of Outstanding Debt by Type
Last Ten Fiscal Years

Fiscal Year	Governmental Activities										Percentage of Personal Income	Per Capita (3)
	General Bonded Debt	Notes	Loans Payable	Other	Capital Leases	Compensated Absences (1)	Other Post Employment Benefits (2)	Total Government				
2001	\$ 3,065,000	\$ 732,000	\$ 49,109,200	\$ 21,573	\$ 488,402	\$ -	\$ 53,416,175	2.50%	\$ 607			
2002	2,740,000	650,000	54,172,000	-	486,292	-	58,048,292	2.72%	660			
2003	2,400,000	565,000	61,397,734	150,928	597,030	-	65,110,692	3.05%	740			
2004	2,045,000	475,000	67,729,734	227,610	694,694	-	71,172,038	3.34%	809			
2005	1,675,000	980,000	68,818,489	214,857	762,550	-	72,450,896	3.40%	824			
2006	1,285,000	815,000	69,635,000	83,866	783,115	-	72,601,981	3.40%	825			
2007	875,000	583,340	67,990,000	138,162	908,440	-	70,494,942	3.31%	801			
2008	450,000	514,291	66,275,000	219,074	988,824	779,179	69,226,368	3.25%	787			
2009	-	445,242	64,995,000	176,075	1,187,722	1,565,047	68,369,086	3.21%	777			
2010	17,550,000	611,193	62,645,000	176,583	1,202,655	517,535	82,702,966	3.88%	940			

(1) Vacation earned but not paid.

(2) Other Postemployment Benefits - Retiree Medical Insurance was not accounted for until fiscal year 2008.

(3) Calculated using information from the U.S. Census Bureau.

Table 11

Bradley County, Tennessee
Ratio of Net General Obligation Bonded Debt and Other Loans Payable to Assessed Value
and Net General Obligation Bonded Debt and Other Loans Payable Per Capita
Last Ten Fiscal Years

Fiscal Year	General Bonded Debt (2)	Other Loans Payable (2)	Less: Amounts Available in Debt Service Fund	Net Bonded Debt and Other Loans Payable	Assessed Property Value	Ratio of Net Bonded Debt and Other Loans Payable to		Net Bonded Debt and Other Loans Payable Per Capita
						Assessed Value	Population (1)	
2001	\$ 3,065,000	\$ 49,109,200	\$ 18,979,375	\$ 33,194,825	\$ 1,166,243,354	2.85	%	\$ 377
2002	2,740,000	54,172,000	22,284,829	34,627,171	1,331,203,641	2.60		394
2003	2,400,000	61,397,734	25,037,444	38,760,290	1,426,230,586	2.72		441
2004	2,045,000	67,729,734	27,489,479	42,285,255	1,430,489,785	2.96		481
2005	1,675,000	68,818,489	30,236,743	40,256,746	1,615,300,489	2.49		458
2006	1,285,000	69,635,000	23,378,643	47,541,357	1,684,782,571	2.82		540
2007	875,000	67,990,000	15,863,135	53,001,865	1,685,029,701	3.15		603
2008	450,000	66,275,000	15,491,369	51,233,631	1,742,833,326	2.94		582
2009	-	64,995,000	16,250,237	48,744,763	1,759,083,033	2.77		554
2010	17,550,000	62,645,000	16,403,302	63,791,698	2,033,332,659	3.14		725

(1) Information taken from U.S. Census Bureau reports.

(2) Does not include discretely presented Bradley Healthcare and Rehabilitation Center component unit.

Table 12

Bradley County, Tennessee
Direct and Overlapping Debt
General Obligation Bonds, Notes and Other Loans
As of June 30, 2010

Direct Debt

General Bonded Debt (1)	\$ 17,550,000	
Note Payable	611,193	
Public Building Authority Loan Agreements	62,645,000	
Less: General Debt Service Fund	<u>(16,403,302)</u>	
Total Direct Debt		\$ 64,402,891

Overlapping Debt

City of Cleveland (2)	<u>\$ 71,313,271</u>	
Total Overlapping Debt		<u>71,313,271</u>

Total Direct and Overlapping Debt \$135,716,162

(1) Amount includes Primary Government and discretely presented Bradley County School Department debt.

(2) Sources: Cumberland Securities, Division of Morgan Keegan & Company, Inc., Financial Advisor for Bradley County and the City of Cleveland.

Table 13
Bradley County, Tennessee
Computation of Legal Debt Margin
June 30, 2010

Not Applicable to Bradley County, Tennessee

Note: Section 9-21-103 of the laws of the State of Tennessee provides that bonds or notes may be issued without regard to any limit on indebtedness for Tennessee counties.

Table 14
Bradley County, Tennessee
Pledged-Revenue Coverage
Last Ten Fiscal Years

Not Applicable to Bradley County, Tennessee

Table 15
Bradley County, Tennessee
Demographic Statistics
Last Ten Fiscal Years

Fiscal Year Ending June 30	(1) Population	Personal Income	(1) Per Capita Income	(1) Median Age	(1) Education Level in Years of Formal Schooling	(2) County School Enrollment	(3) Average Unemployment Rate
2001	87,965	\$ 2,132,535,495	\$ 24,243	35.5	14.4	10,793	4.9%
2002	87,965	2,132,535,495	24,243	35.5	14.4	10,865	5.5%
2003	87,965	2,132,535,495	24,243	35.5	14.4	10,860	5.1%
2004	87,965	2,132,535,495	24,243	35.5	14.4	11,014	5.3%
2005	87,965	2,132,535,495	24,243	35.5	14.4	11,171	5.8%
2006	87,965	2,132,535,495	24,243	35.5	14.4	11,663	5.1%
2007	87,965	2,132,535,495	24,243	35.5	14.4	11,840	6.9%
2008	87,965	2,132,535,495	24,243	35.5	14.4	12,087	8.7%
2009	87,965	2,132,535,495	24,243	35.5	14.4	12,190	9.9%
2010	87,965	2,132,535,495	24,243	35.5	14.4	12,190	9.0%

(1) U.S. Census Bureau.

(2) Weighted Full-time Equivalent Average Daily Attendance - Bradley County Schools.

(3) Tennessee Department of Labor and Workforce Development.

Table 16

Bradley County, Tennessee
Principal Employers

Current Year and Nine Years Ago

<u>Employer</u>	<u>2009</u>			<u>2000</u>		
	<u>Employees</u>	<u>Rank</u>	<u>% of Total County Employment</u>	<u>Employees</u>	<u>Rank</u>	<u>% of Total County Employment</u>
Whirlpool Corporation (Maytag)	1,400	1	4.14%	2,750	1	6.15%
SkyRidge Medical Center	1,175	2	3.47%	-	-	0.00%
Bradley County Schools	1,100	3	3.25%	642	-	1.44%
Peyton's Southeastern, Inc.	950	4	2.81%	1,200	2	2.68%
Wal-Mart	780	5	2.31%	350	-	0.78%
Cleveland City Schools	650	6	1.92%	357	-	0.80%
Lee University	625	7	1.85%	500	-	1.12%
Bradley County Government	588	8	1.74%	372	-	0.83%
Jackson Furniture Industries	530	9	1.57%	465	9	1.04%
Merck Consumer Care	500	10	1.48%	500	8	1.12%
Total	8,298		<u>24.53%</u>	7,136		<u>15.96%</u>

Total employment - average annual 2009

33,827

Total employment - average annual 2000

44,724

Sources: Chamber of Commerce
Tennessee Department of Labor

Table 17

Bradley County, Tennessee
Full-time Employees by Function
Last Ten Years

Function:	Employees as of June 30,									
	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
General Government	41	40	39	38	45	38	38	44	58	51
Finance	38	40	42	40	39	42	46	47	47	48
Administration of Justice	47	55	47	55	58	55	59	60	61	64
Public Safety	150	158	161	230	245	272	244	239	240	296
Health and Welfare	53	55	61	74	97	83	86	89	91	123
Social, Cultural, and Recreational	6	8	9	10	10	10	8	10	9	10
Agriculture and Natural Resources	2	3	2	3	3	2	6	7	20	19
Other	2	1	2	2	1	2	2	3	3	3
Road and Bridge	53	54	49	50	54	53	54	56	59	59
Total (1)	392	414	412	502	552	557	543	555	588	673
Component Unit:										
Education (2)	867	884	884	896	912	922	945	972	1,100	1,112

(1) Bradley County Human Resource Department

(2) Bradley County Schools

Table 18

Bradley County, Tennessee
Operating Indicators by Function
Last Ten Fiscal Years

Function:	Fiscal Year									
	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>
<u>General Government</u>										
Registered Voters (1)	N/A	N/A	N/A	51,384	51,388	53,188	55,412	57,766	55,774	55,500
Building Permits Issued (2)	709	833	725	545	608	831	647	457	365	325
<u>Public Safety</u>										
Number of warrants (Civil & Criminal) served (3)	N/A	N/A	N/A	N/A	N/A	3,002	4,435	3,707	12,198	8,200
Fire Dept - Call Volume	660	640	491	622	528	-	-	-	-	-
Rescue Service - Call Volume	924	693	491	659	744	-	-	-	-	-
Fire/Rescue Service - Call Volume* (4)	-	-	-	-	-	1,150	702	777	678	1,302
<u>Public Health</u> (5)										
Ambulance- Call Volume	14,302	14,266	15,281	16,924	17,995	18,000	18,515	18,500	20,400	19,500
Response Time -avg. minutes	N/A	6.0	N/A	6.4	6.6	6.6	6.6	6.6	6.0	6.0
<u>Road & Bridge</u> (6)										
Street Resurfaced (miles)	N/A	N/A	N/A	N/A	N/A	61.9	45.5	56.2	21.8	25.0

N/A-Information is not available for this period.

*Fire and Rescue combined services.

- (1) Bradley County Election Commission
- (2) Bradley County Building Inspector's Office
- (3) Bradley County Circuit Court Clerk
- (4) Bradley County Fire/Rescue Department
- (5) Bradley County Emergency Medical Services
- (6) Bradley County Road Department

Table 19

Bradley County, Tennessee
Capital Assets by Function
Last Ten Fiscal Years

Function:	Fiscal Year									
	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
Highways and Streets (1)										
Number of Miles	N/A	N/A	N/A	738	739	744	749	759	759	759
Number of Roads	N/A	N/A	N/A	N/A	N/A	N/A	1,248	1,251	1,253	1,253
Traffic Signals	N/A	N/A	N/A	6	6	6	6	6	5	5
Public Safety (2)										
Number of Correctional Facilities	2	2	2	2	2	2	2	2	2	2
Number of Fire Stations	6	6	6	7	7	7	7	7	8	8
Health and Welfare (2)										
Nursing Home	1	1	1	1	1	1	1	1	1	1
Number of Beds	213	213	213	213	213	213	213	213	213	213
Dispatch Station										
Ambulance Stations	2	2	3	3	3	3	3	3	5	5
Number of Ambulance Units	9	10	10	10	10	10	10	11	12	12
Health Department Facilities	1	1	1	1	1	1	1	1	1	1
Facilities and Services Not Included in the Primary Government										
Education (3)										
Form of Administration	Director of Schools, Appointed									
Number of Employees *	867	884	884	896	912	922	945	1,110	1,100	1,112
Elementary Schools	11	11	11	11	11	11	11	11	11	12
Middle Schools	2	2	2	2	2	2	2	2	2	2
High Schools	2	0	0	2	2	2	2	2	2	2
K-12 School	0	0	0	0	0	0	0	0	0	0
Alternative School	1	1	1	1	1	1	1	1	1	1

N/A - Information is not available for this period.

* Does not include cafeteria workers or substitute teachers.

(1) Bradley County Road Department

(2) Bradley County Fixed Asset's Department

(3) Bradley County Schools

SINGLE AUDIT SECTION



STATE OF TENNESSEE
COMPTROLLER OF THE TREASURY
DEPARTMENT OF AUDIT
DIVISION OF COUNTY AUDIT
SUITE 1500
JAMES K. POLK STATE OFFICE BUILDING
NASHVILLE, TENNESSEE 37243-1402
PHONE (615) 401-7841

REPORT ON INTERNAL CONTROL OVER
FINANCIAL REPORTING AND ON COMPLIANCE
AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL
STATEMENTS PERFORMED IN ACCORDANCE WITH
GOVERNMENT AUDITING STANDARDS

October 28, 2010

Bradley County Mayor and
Board of County Commissioners
Bradley County, Tennessee

To the County Mayor and Board of County Commissioners:

We have audited the financial statements of the governmental activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Bradley County, Tennessee, as of and for the year ended June 30, 2010, which collectively comprise Bradley County's basic financial statements and have issued our report thereon dated October 28, 2010. Our report includes a reference to other auditors. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the auditing standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. Other auditors audited the financial statements of the discretely presented Bradley Healthcare and Rehabilitation Center as described in our report on Bradley County's financial statements. This report does not include the results of the other auditors' testing of internal control over financial reporting or compliance and other matters that are reported on separately by those auditors.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered Bradley County's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing

an opinion on the effectiveness of Bradley County's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of Bradley County's internal control over financial reporting.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A material weakness is a deficiency, or combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above. However, we identified certain deficiencies in internal control over financial reporting, described in the accompanying Schedule of Findings and Questioned Costs that we consider to be significant deficiencies in internal control over financial reporting: 10.02, 10.03, and 10.06. A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Compliance and Other Matters

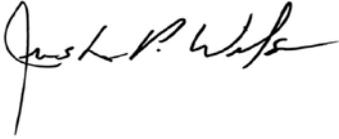
As part of obtaining reasonable assurance about whether Bradley County's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed instances of noncompliance or other matters that are required to be reported under Government Auditing Standards and are described in the accompanying Schedule of Findings and Questioned Costs as items 10.01, 10.04, and 10.05.

We also noted certain matters that we reported to management of Bradley County in separate communications.

Bradley County's responses to the findings identified in our audit are described in the accompanying Schedule of Findings and Questioned Costs. We did not audit Bradley County's responses and, accordingly, we express no opinion on the responses.

This report is intended solely for the information and use of management, the county mayor, County Commission, road superintendent, director of schools, Board of Education, others within Bradley County, and federal awarding agencies, and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

Very truly yours,

A handwritten signature in black ink, appearing to read "Justin P. Wilson". The signature is fluid and cursive, with a prominent vertical stroke on the left side.

Justin P. Wilson
Comptroller of the Treasury

JPW/yu



STATE OF TENNESSEE
COMPTROLLER OF THE TREASURY
DEPARTMENT OF AUDIT
DIVISION OF COUNTY AUDIT
SUITE 1500
JAMES K. POLK STATE OFFICE BUILDING
NASHVILLE, TENNESSEE 37243-1402
PHONE (615) 401-7841

REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE TO
EACH MAJOR PROGRAM AND INTERNAL CONTROL OVER
COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133

October 28, 2010

Bradley County Mayor and
Board of County Commissioners
Bradley County, Tennessee

To the County Mayor and Board of County Commissioners:

Compliance

We have audited the compliance of Bradley County with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement that are applicable to each of its major federal programs for the year ended June 30, 2010. Bradley County's major federal programs are identified in the summary of auditor's results section of the accompanying Schedule of Findings and Questioned Costs. Compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its major federal programs is the responsibility of Bradley County's management. Our responsibility is to express an opinion on Bradley County's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States; and OMB Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about Bradley County's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that

our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination of Bradley County's compliance with those requirements.

In our opinion, Bradley County complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended June 30, 2010.

Internal Control Over Compliance

The management of Bradley County is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing our audit, we considered Bradley County's internal control over compliance with the requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of Bradley County's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A material weakness in internal control over compliance is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, we identified certain deficiencies in internal control as described in the accompanying Schedule of Findings and Questioned Costs as items 10.03 and 10.07. A significant deficiency in internal control over compliance is a deficiency, or combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Schedule of Expenditures of Federal Awards

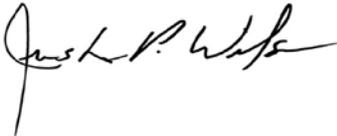
We have audited the financial statements of the governmental activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Bradley County as of and for the year ended June 30, 2010, and have issued our report thereon dated October 28, 2010. Our audit was performed for the purpose of forming our opinions on the financial statements that collectively comprise Bradley County's basic financial statements. The accompanying Schedule of Expenditures of

Federal Awards is presented for purposes of additional analysis as required by OMB Circular A-133 and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

Bradley County's responses to the findings identified in our audit are described in the accompanying Schedule of Findings and Questioned Costs. We did not audit Bradley County's responses and, accordingly, we express no opinion on the responses.

This report is intended solely for the information and use of management, the county mayor, County Commission, road superintendent, director of schools, Board of Education, others within Bradley County, and federal awarding agencies, and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

Yours very truly,

A handwritten signature in black ink, appearing to read "Justin P. Wilson". The signature is fluid and cursive, with a prominent vertical stroke at the beginning.

Justin P. Wilson
Comptroller of the Treasury

JPW/yu

Bradley County, Tennessee
Schedule of Expenditures of Federal Awards and State Grants (1)
For the Year Ended June 30, 2010

Federal/Pass-through Agency/State Grantor Program Title	Federal CFDA Number	Pass-through Entity Identifying Number	Expenditures
U.S. Department of Agriculture:			
Passed-through State Department of Agriculture:			
National School Lunch Program (Commodities - Noncash Assistance)	10.555	N/A	\$ 232,023 (7)
Passed-through State Department of Education:			
Child Nutrition Cluster:			
School Breakfast Program	10.553	N/A	713,083
National School Lunch Program	10.555	N/A	2,110,809 (7)
Child Nutrition Discretionary Grants Limited Availability (ARRA)	10.579	5TN340330	15,793
Fresh Fruit and Vegetable Program	10.582	N/A	6,160
Total U.S. Department of Agriculture			<u>\$ 3,077,868</u>
U.S. Department of Housing and Urban Development:			
Passed-through State Department of Economic and Community Development:			
Community Development Block Grants/State's Program	14.228	GG-07-20745-00	\$ 66,141
Total U.S. Department of Housing and Urban Development			<u>\$ 66,141</u>
U.S. Department of Justice:			
Direct Programs:			
Edward Byrne Memorial Justice Assistance Grant Program	16.738	N/A	\$ 35,137
Edward Byrne Memorial Justice Assistance Grant (JAG) Program/ Grants to Units of Local Government (ARRA)	16.804	N/A	144,432
Passed-through City of Knoxville, Tennessee:			
Missing Children's Assistance (ARRA)	16.543	2009-SN-B9-K052	34,044
Passed-through State Commission on Children and Youth:			
Enforcing Underage Drinking Laws Program	16.727	Z-09-073513-00	11,116
Passed-through State Office of Criminal Justice Programs:			
Edward Byrne Memorial Justice Assistance Grant (JAG) Program/ Grants to States and Territories (ARRA)	16.803	2009-SU-B9-0002	74,899
Total U.S. Department of Justice			<u>\$ 299,628</u>
U.S. Department of Transportation:			
Passed-through State Department of Transportation:			
State and Community Highway Safety	20.600	(3)	\$ 50,449
Total U.S. Department of Transportation			<u>\$ 50,449</u>
U.S. Department of Education:			
Direct Program:			
Safe and Drug-free Schools and Communities - National Programs	84.184	N/A	\$ 369,958
Passed-through State Department of Education:			
Title I Cluster:			
Title I Grants to Local Educational Agencies	84.010	N/A	1,567,482
Title I Grants to Local Educational Agencies, Recovery Act	84.389	S389A090042	943,184
Special Education Cluster:			
Special Education - Grants to States	84.027	N/A	2,625,479
Special Education - Preschool Grants	84.173	N/A	60,667
Special Education - Grants to States, Recovery Act	84.391	H391A090052	1,502,679
Career and Technical Education - Basic Grants to States	84.048	N/A	136,532
Safe and Drug-free Schools and Communities - State Grants	84.186	(2)	26,174
Twenty-first Century Community Learning Centers	84.287	192-10-1-002	385,000
Educational Technology State Grants Cluster:			
Education Technology State Grants	84.318	(2)	77,715
Education Technology State Grants, Recovery Act	84.386	S386A090042	30,478
English Language Acquisition Grants	84.365	(2)	22,257
Improving Teacher Quality State Grants	84.367	N/A	356,618
State Fiscal Stabilization Fund Cluster:			
State Fiscal Stabilization Fund (SFSF) - Education			
State Grants, Recovery Act	84.394	S394A090043	1,833,100
State Fiscal Stabilization Fund (SFSF) - Government Services, Recovery Act	84.397	S397A090043	329,130

(Continued)

Bradley County, Tennessee
Schedule of Expenditures of Federal Awards and State Grants (1) (Cont.)

Federal/Pass-through Agency/State Grantor Program Title	Federal CFDA Number	Pass-through Entity Identifying Number	Expenditures
U.S. Department of Education (Cont.):			
Passed-through State Department of Labor and Workforce Development:			
Adult Education - State Grant Program	84.002	Z-10-218490-00	\$ 132,004
Passed-through Bradley/Cleveland Public Education Foundation: Safe and Drug-free Schools and Communities - National Programs	84.184	Q184L050439	11,934
Total U.S. Department of Education			<u>\$ 10,410,391</u>
U.S. Department of Homeland Security:			
Passed-through State Department of Military: State Domestic Preparedness Equipment Support Programs	97.004	(4)	\$ 42,070
Emergency Management Performance Grants	97.042	34101-0000003983	44,540
Homeland Security Grant Program	97.067	(5)	379,477
Total U.S. Department of Homeland Security			<u>\$ 466,087</u>
Total Expenditures of Federal Awards			<u>\$ 14,370,564</u>
<u>State Grants</u>			
State Reappraisal Program - Comptroller of the Treasury	N/A	(2)	\$ 22,651
Local Health Services - State Department of Health	N/A	(6)	1,115,354
Child Safety Seat Grant - State Department of Health	N/A	(2)	8,922
3-Star Education Grant - State Department of Economic and Community Development	N/A	Z-09-217113-00	487
Custody Prevention Services - State Department of Children's Services	N/A	GG-10-28317-00	54,004
Family/Friends - State Children's Services Commission	N/A	GG-09-26240-00	4,182
Juvenile Services Youth Services Officer - State Commission on Children and Youth	N/A	GG-10-30113-00	9,000
Community Corrections Program - State Board of Probation and Patrol	N/A	Z-08-021324-00	294,241
Adult Drug Court - State Department of Finance and Administration	N/A	Z-05-025530-00	34,616
Juvenile Drug Court - State Department of Finance and Administration	N/A	Z-05-025536-00	75,728
Tire Recycling Grant - State Department of Environment and Conservation	N/A	Z-08-212969-00	47,308
Litter Program - State Department of Transportation	N/A	Z-10-220306-00	46,708
Early Childhood Education Pilot/State - Lottery Commission	N/A	(2)	1,266,847
ConnecTN - State Department of Education	N/A	(2)	6,910
FastTrack Infrastructure Development Program - State Department of Economic and Community Development	N/A	GG-08-24948-00	83,776
Total State Grants			<u>\$ 3,070,734</u>

CFDA - Catalog of Federal Domestic Assistance
N/A - Not Applicable

- (1) Presented in conformity with generally accepted accounting principles using the modified accrual basis of accounting.
- (2) Information not available.
- (3) Z-09-214271-00: \$23,665; Z-10-219948-00: \$26,784.
- (4) GG-06-12181-00: \$13,785; GG-10-30965-00: \$28,285.
- (5) GG-08-24131-00: \$44,141; 34101-000000467: \$81,001; 34101-0000002550: \$254,335.
- (6) Z-09-213785-00: \$132,383; Z-10-219776-00: \$982,971.
- (7) The total for CFDA No. 10.555 is \$2,342,832.

Bradley County, Tennessee
Schedule of Audit Findings Not Corrected
June 30, 2010

Government Auditing Standards require auditors to report the status of uncorrected findings from prior audits. Presented below are findings from the Annual Financial Report for Bradley County, Tennessee, for the year ended June 30, 2009, which have not been corrected.

OTHER FINDINGS

<u>Finding Number</u>	<u>Page Number</u>	<u>Subject</u>
09.01	276	The software used by the Probation Office did not have adequate application controls
09.04	278	Duties were not segregated adequately at the Ambulance Service and Probation Service and in the Offices of Road Superintendent, Clerk and Master, Register, and Sheriff

BRADLEY COUNTY, TENNESSEE

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

For the Year Ended June 30, 2010

PART I, SUMMARY OF AUDITOR'S RESULTS

1. Our report on the financial statements of Bradley County is unqualified.
2. The audit of the financial statements of Bradley County disclosed significant deficiencies in internal control. None of these deficiencies was considered to be a material weakness.
3. The audit disclosed one instance of noncompliance that is material to the financial statements of Bradley County.
4. The audit disclosed no significant deficiencies in internal control over major programs.
5. An unqualified opinion was issued on compliance for major programs.
6. The audit revealed one finding that is required to be reported under Section 510(a) of OMB Circular A-133.
7. The Child Nutrition Cluster: School Breakfast Program and National School Lunch Program (CFDA Nos. 10.553 and 10.555); the Title I Cluster: Title I Grants to Local Educational Agencies and Title I Grants to Local Educational Agencies, Recovery Act (CFDA Nos. 84.010 and 84.389); the Special Education Cluster: Special Education – Grants to States, Special Education – Preschool Grants, and Special Education – Grants to States, Recovery Act (CFDA Nos. 84.027, 84.173, and 84.391); and the State Fiscal Stabilization Cluster: State Fiscal Stabilization Funds (SFSSF) – Education State Grants, Recovery Act and State Fiscal Stabilization Funds (SFSSF) – Governmental Services, Recovery Act (CFDA Nos. 84.394 and 84.397) were determined to be major programs.
8. A \$431,117 threshold was used to distinguish between Type A and Type B federal programs.
9. Bradley County qualified as a low-risk auditee.

PART II, FINDINGS RELATING TO THE FINANCIAL STATEMENTS

Findings and recommendations, as a result of our examination, are presented below. We reviewed these findings and recommendations with management to provide an opportunity for their response. The county mayor, road superintendent, and director of schools provided written responses on certain findings, which are paraphrased in this report.

OFFICE OF COUNTY MAYOR

FINDING 10.01 **A CAPITAL OUTLAY NOTE WAS NOT ISSUED IN COMPLIANCE WITH STATE STATUTES**

(Material Noncompliance Under Government Auditing Standards)

County officials issued a \$240,000 capital outlay note to purchase land, a small building, and two radio towers for emergency management. County officials did not obtain the approval of the state Comptroller's Office for the issuance of this note as required by Section 9-21-601, Tennessee Code Annotated. This deficiency resulted from a lack of oversight by management.

RECOMMENDATION

County officials should obtain the approval of the state Comptroller's Office for the issuance of all capital outlay notes as required by state statute.

MANAGEMENT'S RESPONSE – COUNTY MAYOR

This note was originally approved for the Emergency Management Agency to purchase the towers. Sometime during the process, the purchaser was changed to Bradley County, and procedures were not followed due to a lack of communication between the parties involved. As soon as the oversight was discovered, we contacted the State Comptroller's Office. We have taken steps to assure that any future debt obligations will be handled in compliance with state statutes. This note was paid off in August 2010, as appropriated in the county's budget.

FINDING 10.02 **THE SOFTWARE USED BY THE PROBATION OFFICE DID NOT HAVE ADEQUATE APPLICATION CONTROLS**

(Internal Control – Significant Deficiency Under Government Auditing Standards)

Users could delete cases and case history at any time, and an audit trail of the deleted information was not maintained. Without an audit trail of system activity, errors, and improper changes can occur and go undetected. Sound business practices dictate that proper application controls be implemented. Since the vendor did not design the system with these controls, inappropriate system activity could occur. The capability to delete cases and case history was removed from the application by the vendor in September 2010.

OFFICE OF DIRECTOR OF SCHOOLS

FINDING 10.03 **AMERICAN RECOVERY AND REINVESTMENT ACT GRANT FUNDS WERE USED TO PURCHASE AN OVEN BASED ON AN EXPIRED BID**

(Internal Control – Significant Deficiency Under Government Auditing Standards and OMB Circular A-133)

Bradley County utilized an expired bid to purchase one combi-oven. Bradley County piggy-backed their purchase off of a bid solicited by the Metropolitan Government of Nashville and Davidson County (Metro) in May 2006; however, according to Metro, the bid lapsed December 31, 2006. The oven was purchased on September 23, 2009, with American Recovery and Reinvestment Act funds under a Child Nutrition Discretionary Grant, CFDA No. 10.579, for \$16,174. Grant administrators failed to confirm the validity of the bid prior to purchasing the equipment, which indicates a significant deficiency in internal controls. In effect, this internal control deficiency allowed the purchase of the equipment without accepting a valid bid and creates a situation that could result in the United States Department of Agriculture requesting repayment for the purchase price of the equipment. Section 49-2-203, Tennessee Code Annotated, requires competitive bids for purchases over \$10,000. It was not possible to determine the amount, if any, that the actual purchase price exceeded (or was less than) the amount that would have been paid had a current bid been accepted.

RECOMMENDATION

Grant administrators should not piggy-back their purchases off of bids solicited by other governments without confirming the validity of the bid. Grant administrators should contact the Tennessee Department of Education School Nutrition Program to determine whether further action is required.

MANAGEMENT'S RESPONSE – DIRECTOR OF SCHOOLS

Bradley County Schools will refrain from making purchases from any expired bids in the future. We will take all necessary steps to inquire about the current status of any bids from other governmental agencies from this day forward.

OFFICE OF SHERIFF

FINDING 10.04 **THE OFFICE DID NOT DEPOSIT SOME FUNDS WITHIN THREE DAYS OF COLLECTION**

(Noncompliance Under Government Auditing Standards)

In some instances, the office did not deposit funds within three days of collection. Section 5-8-207, Tennessee Code Annotated, requires county officials to deposit public funds to the office bank account within three days of collection. This deficiency is the result of a lack of management oversight. The delay in depositing funds increases the risks of fraud and misappropriation.

RECOMMENDATION

The sheriff should ensure that all funds are deposited to the office bank account within three days of collection as required by state statute.

FINDING 10.05 ARRESTEE FILES DID NOT INCLUDE FINGERPRINT ACKNOWLEDGMENTS FROM THE TENNESSEE BUREAU OF INVESTIGATION
(Noncompliance Under Government Auditing Standards)

The Sheriff's Department uses an electronic imaging fingerprint machine to fingerprint arrestees at the time of their arrest. This machine is designed to electronically store the fingerprint images, generate records of the images taken, and transmit the images to the Tennessee Bureau of Investigation (TBI). Section 8-4-115, Tennessee Code Annotated, states that "If fingerprints are transmitted to the TBI electronically, the booking agency shall maintain with the arrest report one (1) hard copy of the fingerprints along with an acknowledgment from the TBI that a copy of the fingerprints has been received and accepted." During our examination of arrestee files, we found several instances where there was no acknowledgment from the TBI that a copy of the fingerprints had been received and accepted. This deficiency can be attributed to the lack of management oversight.

RECOMMENDATION

An acknowledgment from the TBI that a copy of the fingerprints has been received and accepted should be maintained for all arrestees as required by state statute.

OTHER FINDING AND RECOMMENDATION

FINDING 10.06 DUTIES WERE NOT SEGREGATED ADEQUATELY AT THE AMBULANCE SERVICE, PROBATION SERVICE, SCHOOL FOOD SERVICE DEPARTMENT, AND IN THE OFFICES OF ROAD SUPERINTENDENT, CLERK AND MASTER, REGISTER, AND SHERIFF
(Internal Control – Significant Deficiency Under Government Auditing Standards)

Duties were not segregated adequately among the officials and employees at the Ambulance Service, Probation Service, School Food Service Department, and in the Offices of Road Superintendent, Clerk and Master, Register, and Sheriff. Officials and employees responsible for maintaining accounting records were also involved in receipting, depositing, and/or disbursing funds. Accounting standards provide that internal controls be designed to give reasonable assurance of the reliability of financial reporting and of the effectiveness and efficiency of operations. This lack of segregation of duties is the result of management's decisions based on the availability of financial resources and is a significant

deficiency in internal controls that increases the risk of unauthorized transactions. Also, this deficiency is the result of management's failure to correct the finding noted in the prior-year audit report.

RECOMMENDATION

Officials should segregate duties to the extent possible using available resources.

BEST PRACTICE

A CENTRAL SYSTEM OF ACCOUNTING, BUDGETING, AND PURCHASING HAS NOT BEEN ADOPTED

Bradley County does not have a central system of accounting, budgeting, and purchasing. Sound business practices dictate that establishing a central system would significantly improve internal controls over the accounting, budgeting, and purchasing processes. The absence of a central system of accounting, budgeting, and purchasing has been a management decision by the County Commission resulting in decentralization and some duplication of effort. The Division of County Audit strongly believes that the adoption of a central system of accounting, budgeting, and purchasing is a best practice that would significantly improve accountability and the quality of services provided to the citizens of Bradley County. Therefore, we recommend the adoption of the County Financial Management System of 1981 or a private act, which would provide for a central system of accounting, budgeting, and purchasing covering all county departments.

MANAGEMENT'S RESPONSES – COUNTY MAYOR, ROAD SUPERINTENDENT, AND DIRECTOR OF SCHOOLS

As county mayor, road superintendent, and director of schools, we understand this recommendation has been included in our audit for many years, and our County Commission has reviewed this recommendation and considered its implementation; however, the County Commission voted to keep the current accounting structure. We believe that the commissioners realize that the current accounting method works best for the citizens of Bradley County. Bradley County meets the requirements of Governmental Accounting Standards Board Statement No. 34, receives excellent bond ratings from both Moody's and Standard and Poors, and is one of only a few counties in Tennessee to have, in prior years, received the prestigious Certificate of Excellence in Financial Reporting. It is obvious that Bradley County's system is operating efficiently and effectively. We see no reason to change.

AUDITOR'S REBUTTAL

The Comptroller's Office has consistently recommended a central system of accounting, budgeting, and purchasing for all counties in the State of Tennessee to improve internal controls over the accounting, budgeting, and purchasing processes. The absence of a central system results in decentralization and some duplication of effort.

**PART III, FINDINGS AND QUESTIONED
COSTS FOR FEDERAL AWARDS**

Federal Agency	Finding Number	Federal CFDA Number	Criteria	Explanation	Amount Questioned
U.S. Department of Agriculture Passed-through State Department of Agriculture: Child Nutrition Discretionary Grants Limited Availability	10.07	10.579	<u>Circular A-133</u> , Section 500(c)(3)	Significant Deficiency in Internal Control See Finding 10.03 - American Recovery and Reinvestment Act Grant funds were used to purchase ovens based on an expired bid	\$ (1)

(1) It is not possible to determine the amount, if any, that the actual purchase price exceeded (or was less than) the amount that would have been paid had current bids been accepted.

BRADLEY COUNTY, TENNESSEE
AUDITEE REPORTING RESPONSIBILITIES
For the Year Ended June 30, 2010

There were no audit findings relative to federal awards presented in the prior-year's Schedule of Findings and Questioned Costs. There were audit findings relative to federal awards presented in the current-year's Schedule of Findings and Questioned Costs.

Office of Director of Schools – Corrective Action Plan for Current-Year's Findings

FINDINGS 10.03 and 10.07

Contact person:	Johnny McDaniel
Corrective action planned:	Bradley County School will refrain from making purchases from any expired bids in the future. We will take all necessary steps to inquire about the current status of any bids from other governmental agencies from this day forward.
Anticipated completion date:	2010-11